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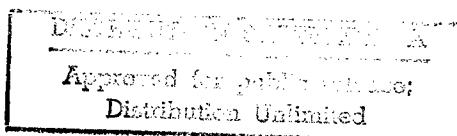


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# ***JPRS Report***

## **East Asia**

### ***Southeast Asia***



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# East Asia

## Southeast Asia

JPRS-SEA-88-039

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## Hawke Seeks Regional Chemical Weapons Ban

### Meetings To Include SRV

52004305 Sydney *THE SYDNEY MORNING HERALD* in English 22 Jun 88 p 5

[Article by Mike Stekette: "PM To Seek Regional Chemical Weapon Ban"]

[Text] New York, Tuesday—Australia will seek the support of Asian and Pacific countries for a regional initiative against the spread of chemical weapons.

The move, if successful, could result ultimately in a regional treaty or chemical weapons-free zone, and controls on the trade of chemicals used in warfare.

The Prime Minister announced last night that the Federal Government would explore ways of tackling the problem which it is concerned could spread beyond the Iran-Iraq conflict.

The use of chemical weapons in the war between these two countries resulted recently in the death of an estimated 1,000 people in an Iranian village.

Australian officials said this demonstrated the ease with which the proliferation of chemical weapons could occur without the involvement of the major powers.

Addressing a dinner sponsored by the Asia Society and the American-Australian Association, Mr Hawke said that just before he left Australia he had asked the Minister for Foreign Affairs, Mr Hayden, to start examining how a regional effort against chemical weapons proliferation could be developed.

Describing chemical warfare as an "abhorrence," the Prime Minister said Australia had been active in efforts to achieve a Comprehensive Chemical Weapons Convention in the United Nations Committee on Disarmament in Geneva.

"But at the same time we may be able to complement these global efforts at a regional level," Mr Hawke said.

Australian officials said that department in Canberra would prepare the ground for a regional initiative.

Detailed discussions with Pacific and South-East Asian countries, including Burma and Vietnam, would follow.

The officials argued that Australia was in a good position to take such an initiative because of its good relations with countries in the region.

But they stressed that the Australian proposal was still at an exploratory stage and the first step would be to see whether there was common ground between countries in the region.

Lesser options would include a regional initiative in the UN Committee of Disarmament, where progress towards a convention on chemical weapons was slow.

The U.S. has identified verification as one of the stumbling blocks for an international agreement on chemical weapons.

In his speech to the Asia Society, Mr Hawke described as simplistic the talks in the West about liberal versus conservatives in China.

"It is my assessment that there is no opposition to the modernisation process sufficiently strong to derail it," he said.

This was based on his spending "very many hours" with key figures in the Chinese leadership.

Mr Hawke repeated comments he first made in Moscow last year that he would welcome "constructive" Soviet involvement in political and economic developments in the Asia-Pacific region.

### Editorial Skeptical

52004305 Sydney *THE SYDNEY MORNING HERALD* in English 22 Jun 88 p 18

[Editorial: "PM's Chemical Weapons Ploy"]

[Excerpts] Mr Hawke's announcement in New York of an Australian initiative on chemical weapons control looks, sadly, too much like just another of the shows that Australian prime ministers feel obliged to put on when they get to the United States.

Mr Hawke's initiative for "a regional effort against chemical weapons proliferation" is in some ways different. It is said to arise from the energetic role Australia has been playing in international negotiations for stronger controls against chemical weapons. A strong reason behind the initiative is said to be the concern, arising out of the use of chemical weapons in the war between Iraq and Iran, that other countries with similar industrial capacities will be tempted to see chemical weapons as effective and acceptable parts of their armouries.

Of course, in the Iraq-Iran war, chemical weapons have been delivered by missile systems of a kind which few countries in South-east Asia and the Pacific can deploy at present. Yet the alleged use of chemical weapons by Vietnam in Laos was not dependent on missile delivery systems. That, and the especially devastating effect of chemical weapons in tropical climates, does make their possible use in South-east Asian and Pacific countries especially disturbing.

There is no doubting the seriousness of the question. And Australia does indeed have a very respectable record in international negotiations to control chemical weapons. But any effort to form a regional consensus on

the subject is dependent on quiet preparatory work in the region, of which there seems to have been little so far. It is hardly helped by Mr Hawke's grandstanding in the United States.

That is not to criticise the underlying purpose of Mr Hawke's visit to the U.S.. It is in Australia's interests that the Prime Minister personally sell his Government's economic policies to the world's major financial markets. It is also in our interests to have the U.S. reminded, as forcefully as possible, of the damage done by its protectionist agricultural policies. And Australia should maintain its direct contact, at the highest levels, with the

IMF and the World Bank. It does no harm for Mr Hawke to establish a personal relationship with whoever is to be the next president of the United States. And it does not matter if the Prime Minister can think of nothing wittier than a laboured comparison with a popular film character to make an impact with the Americans. The pity is the ease with which the Prime Minister is prepared to take a good and serious idea—regional cooperation to control chemical weapons—and turn it into a piece of theatre, possibly to its detriment.

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**Factors Leading To Increased Taiwan Investments  
Viewed**

42130181e Jakarta TEMPO in Indonesian  
30 Jul 88 pp 92, 93

[Text] Taiwan intends to invest, but on a small scale. Political stability, deregulation and cheap labor are the three factors under consideration.

When the value of the National Taiwan dollar (NT\$) rose in relation to the U. S. dollar, by as much as 40 percent recently, there was a big reaction. Like the yendaka [yen shock] in Japan, the strengthening of the Taiwan dollar shook up domestic industry, especially medium and small industries. The appreciation in value is not unconnected to Taiwan's trade surplus with the United States.

Taiwan's economy is now entering a new stage. The cabinet ratified last Wednesday [27 July] by the Kuomintang Central Permanent Committee, Taiwan's ruling party, reflects a greater level of attention to economic improvement.

The cabinet wishes to develop the policies outlined by the late President Chiang Ching Kuo, which includes a relaxation of policies concerning foreign exchange traffic. According to the new policy, each Taiwanese citizen will be allowed to take \$5 million a year out of the country. The aim is to encourage investment abroad.

The impetus is the development of markets and cheaper labor. An example are the plans being made by Y. J. Wu, president of a stone-processing business in Taipei. He has a good market, especially in the United States. However, he said, the increase in value of the NT\$ and higher wages for workers has made it necessary to develop factories. He has chosen Indonesia and is preparing to invest 20 million National Taiwan dollars (about 1 billion rupiahs).

The Tawian Government has agreed to invest \$1.3 billion in ASEAN countries in 1988. Indonesia's share is \$300 million; \$200 million of this is for the previously planned expansion of the Indah Kiat Pulp and Paper Co. factory. This means that Indonesia will only be getting \$100 million, far below Thailand's share of \$500 million.

"Indonesia is not very attractive for us," said Ma Chyan-yih, deputy director of the Foreign Trade Board of the Ministry of the Economy. Speaking from Taipei, this economic official, with 4 years of international experience in Jakarta and 9 years in Tokyo, did not want to stick to polite conventional statements.

Ma, 55 years old, added, "Living conditions in Indonesia are an important reason. In Thailand and in Malaysia,

for example, we are free to read the Taiwanese newspapers, and we can send our children to school, so that foreign investors can bring their families with them. In Jakarta, however, how is that possible?"

Not all businessmen make such demands. Many Taiwanese capitalists enter Indonesia, or other countries, without asking their government for permission. Officials in Taipei admit this. It is no surprise that, based on official figures, the total amount of Taiwanese foreign investments in 1987 was only \$100 million.

According to John Ni, director general of the Taiwan Center for Industrial Development and Investment, the actual figure may be as much as nine times higher. Taiwanese investments in Thailand alone amounted to \$560 million in 1987. On the other hand, based on official figures, there were only 11 companies which invested a total of \$414.37 million in Indonesia between 1967 and May 1988. This clearly does not reflect the actual situation.

Besides that, said Calvin Chen, an official at the Taiwan Chamber of Trade in Jakarta, investors can still see other favorable factors in Indonesia. "Political conditions are more stable here, compared to Thailand, Malaysia or the Philippines. Indonesia also has the option of using GSP facilities, and its labor costs are relatively low compared to the other ASEAN nations. In addition, there is deregulation," said Calvin Chen.

The problem is to what extent prospective investors have that information. Some investors complain that they have gotten second-class treatment compared to Japanese investors. An official of the BKPM [Capital Investment Control Board] denied this. Maybe it has happened at other government agencies, not at the BKPM. Besides that, official Taiwanese-Indonesian relations are only at the trade contact stage. Maybe this is the problem.

But not everyone involved in joint Indonesian-Taiwanese efforts feel that there have been difficulties. Look at the experience of the Indah Kiat Pulp and Paper Co., Inc., which was established in 1976 with an initial investment of \$367 million. Several expansions have been approved so that in 1988 it was able to produce 80,000 tons of paper and 100,000 tons of pulp.

Teguh Ganda Widjaja, president director of Indah Kiat Pulp, said "It is nice to be business associates of the Taiwanese. They do not have a lot of fancy notions, and they are shrewd when it come to efficiency. For example, when they assemble a machine, they don't have to depend on a single expensive source; they get a cheaper price wherever they can, but the quality is still good."

**Commentator Blasts Sitthi Sawetsila, U.S. on  
Indochina Policy**  
42060046a Vientiane VIENTIANE MAI in Lao  
15 Jul 88 pp 2,4

[“Talk” column by S. Simouksavan: “Comedy by a Thai Diplomat”]

[Excerpts] Nowadays it seems as if Air Chief Marshal [ACM] Sitthi Sawetsila is the focus of the news. He protested to the World Boxing Council to have its committee examine the defeat of a Thai boxer. The Thai foreign minister has created big news in order to eradicate his “worst nonsensical” behavior from the memory of the Thai people and from the world who feel sorry for his feeble-mindedness. He returned to the political arena once more and avoided being interviewed in the “Boxing Arena” column that had made him an infamous insane high-level Thai diplomat. Recently ACM Sitthi Sawetsila granted an interview on an issue involving neighboring countries such as Laos, Vietnam and Cambodia. On the late night channel 7 TV news early last week, he said that “Thailand will begin extensive trade and cooperation with socialist nations in the near future, especially the three Indochinese nations.” This appears to be good news for those who love peace and justice. However, no one can know how much this foreign minister’s words have brought pain and embarrassment to the Thai people, particularly regarding the Lao-Thai border dispute between Bo Ten District in the Sayaboury Province of Laos, and Phitsanulok Province in Thailand. The Thai foreign minister has often said that “we will be happy to engage in peaceful talks with the LPDR.” However, a third meeting between the Lao and Thai delegations seeking to find a solution to the problem has not taken place as they said, even though it is the Thai turn to invite the Lao to Bangkok for this purpose. It is certain that if the peace-loving military in the Royal Thai Army who want to live peacefully with their neighboring countries do not work in cooperation with the Lao military and the Lao People’s Army, there is no doubt that undesirable bloody clashes will drag on between the people of the two countries.

From what has happened, there is nothing to make us believe anything that Sitthi Sawetsila said in the interview that he granted to the Thai media. However, those who do believe him are only undesirable people in the Thai ultrarightist military clique. It seems as though we have made unreasonable accusations against the Thai foreign minister. He himself should know already that the mistakes in his foreign policy do him no good at all, and he might have repented and changed his mind by this time. It is not far from the truth that he has a habit of giving in to the imperialists and the international reactionary power clique as was shown on TV, the picture showing the signing of an agreement and acceptance of funding from the United States by Sitthi Sawetsila, the Thai foreign minister, and the U. S. ambassador to Thailand. The comedy about Sitthi was clear to the

Thai people, because the U. S. funding given to Sitthi Sawetsila was a lot of money “to be used for self-defense of the villages and provinces bordering on the three Indochinese nations.”

Thus, between the beginning and the end of the 11 pm news ACM Sitthi Sawetsila completely contradicted himself. If he is sincere about his foreign policy as he once stated in the Thai parliament, and toward Thailand’s neighboring countries, then why is it necessary to request funds from the United States for the so-called purpose of “self-defense” of villages, these villages having their borders adjoining the LPDR, the SRV and the PRK? What is there then to confirm his good intentions when he spoke about initiating extensive trade and cooperation with the three Indochinese countries? And what will he do with the funds from the United States which hopes to create tensions in the region? And what does he mean by self-defense?

It is known that the American imperialists have been expanding their influence over Southeast Asia for many decades. They have poured much war equipment and financial aid into this region. But at last justice has won out over injustice. It was the year 1975 and it marked a painful defeat for the American imperialists, particularly in the liberation of the three Indochinese nations. It was the first time the American imperialists had a bitter lesson taught to them. It is therefore natural for them to use every possible means to return to influence in this region, and to back the international reactionaries against the revolutionary forces and the progressive peoples in the region. Those who are willing to bow their heads and follow the American imperialists cannot disguise their insanity. Of course the money they received will be used to purchase arms from the United States to suppress progressive people in Thailand and to threaten its relationship with neighboring countries. Then the “self-defense villages” will become villages for encroaching upon the land of other nations which border on Thailand, as has always happened in regard to the LPDR and the PRK.

Is there anyone who does not know the truth about the Thai foreign minister, that he is someone who says one thing but thinks the opposite, and whose sugar-coated words are poisonous?

9884

**Japanese Provide Buses to Vientiane**  
42060038d Vientiane PASASON in Lao 25 Jun 88 p 1

[Unattributed report: “The Japanese Government Agrees To Provide 50 Buses to Vientiane City”]

[Text] The Agency for International Cooperation of the Japanese Government has agreed to provide Vientiane City with 50 buses. Of these 32 will be large buses holding 55 seats or more, and 18 will be medium-sized

buses holding 30 seats. This assistance which is free in the initial stage is valued at \$4 million. The ceremony for signing this agreement was held on the evening of 22 June in Vientiane City.

Under this agreement, in addition to providing 50 buses, the Japanese Government will also provide repair shops and bus depots in order to keep the buses in good condition so that they can serve for a long time.

Since 1976 the Japanese Government has provided Vientiane City with 29 buses as assistance to be used for the common good.

Mr Sai Phakasoum signed the agreement memorandum for the Lao side. He is a member of the administrative committee and head of the transportation and construction service of Vientiane City. Mr Ouchi, head of the Assistance Funds Department of the Japanese Government signed for the Japanese side. Mr Sisawat Keobounphan, chairman of the Administrative Committee of Vientiane City, and Mr Teurokami Hikasa, an advisor to the Japanese Embassy in Laos were present along with many high-level cadres from both sides who were involved with the agreement.

08149

**Houa Phan Trade With SRV, Private Sector Role**  
42060038f *Vientiane PASASON in Lao* 6 Jul 88 p 2

[Report by Phonchai: "Trade for the People"]

[Excerpt] Many years ago ideas about the distribution of goods, the exploitation of forest products, and the exchange of goods were in error. The state stores were not able to supply things according to the needs of the people and private trade was closed down so that the economy and the supply of consumer goods for the people were deficient for a while.

Now the people are satisfied with what they find in the market. The state stores and cooperative stores in the town of Sam Neua and the surrounding small towns are filled with the atmosphere of busy commerce as assigned and controlled by the state. Finished goods, industrial goods, handicrafts, and various construction goods are for sale in state stores or private stores. More forest products which the people have exploited or found are brought for sale or exchange at the state stores every day because of the expansion and changes. Now throughout Houa Phan Province there are 40 state stores. Of these 15 are state workers' stores. There are 85 market cooperatives. They have assigned and rebuilt markets in the town of Sam Neua and have expanded seven markets in the countryside. With regard to state trade the provincial trading corporation is the group which sells wholesale to the state stores, the market cooperatives, and a number of private merchants who have become partners with the state in trade. The provincial trading corporation has

also signed agreements directly with the trading corporations of the comrade province of Thanh Hoa, the province and city of Hanoi, the consumer goods factories of Haiphong in the SRV, and the Mountain Area Development Corporations of Xieng Khouang Province and Luang Prabang Province.

In the first 5 months of 1988 they have bought 276 million kip of finished goods, construction materials, and petroleum products. They have bought more than 127 million kip of forest products from the people, and fulfilled export requirements of 326 million kip. They have fulfilled 40 percent of the yearly plan and fulfilled their obligation to the provincial budget in the amount of 42 million kip.

08149

**Comrade Provinces Come to Trade Agreement**  
42060038e *Vientiane PASASON in Lao* 5 Jul 88 p 1

[Unattributed report: "Xieng Khouang - Nghe Tinh Exchange Goods and Cooperate in Production for Export"]

[Text] The two comrade provinces of Xieng Khouang and Nghe Tinh have come to an agreement to exchange 13 million kip worth of goods at a fixed price in 1988 and 1989. In addition they will jointly invest in the production of another 15 million kip worth of goods for export.

This agreement was signed on 1 July in Xieng Khouang Province. Mr Phansi Vongvihan, a member of the provincial party and head of the trade corporation for Xieng Khouang Province, signed for Laos, and Mr Bo Van Houng, an alternate member of the provincial party and deputy head of the trade service for Nghe Tinh Province, signed for Vietnam.

08149

**Education, Culture Assistance Provided**  
42060038c *Vientiane PASASON in Lao*  
4 May 88 pp 1,2

[Unattributed article: "The Japanese Government Provides Laos With Assistance Worth 28 Million Yen"]

[Text] On the morning of 3 May 1988 at the Vientiane Teacher's College there was a ceremony for the presentation of 28 million yen of equipment. This assistance was being provided to Laos by the Japanese Government for use in education.

This equipment was part of the program of free assistance which the Japanese Government is providing for Lao education and culture. The equipment provided this time is to be used in teaching and in the laboratory; it will be used for teaching physics, biology, chemistry and geology.

In the presentation ceremony Mr Teruo Hayakawa, the special Japanese Ambassador to Laos made the presentation and Professor Bountiam Phitsamai, the minister of education accepted the assistance. Many high-level Lao officials involved in this project were also present.

This presentation of assistance was the ninth time that the Japanese Government had provided assistance to Laos in education and culture and the third time that it had provided assistance to the Vientiane Teacher's College.

08149

**Thai Border Trade Policy Poorly Implemented**  
*42060038g Vientiane PASASON in Lao 18 Jun 88 p 2*

[“Problems To Be Solved column”: “Make Trade Free and Legal”]

[Text] After our party and state arrived at the policy, direction and standards to increase vigorously the flow of goods and hard currency with the aim of changing from a subsistence economy to a production economy and of changing to a system of free trade within the law in order to encourage production and improve the standard of living of the multiethnic people, various localities abolished the regulations concerning inspection of goods on the highways; this eliminated an obstacle and an unfamiliar inconvenience which meant that goods could be transported much more conveniently than in the past.

But at the same time some localities were not proceeding with determination, and many localities did not proceed correctly, primarily in regard to making trade free and legal. Especially in the area of the Lao-Thai border they did not strictly follow the policies concerning imports and exports. Recently many localities neglected to control the border. People were allowed to buy and sell with Thailand and the regulations were not applied. Border markets were opened in many places with no reliable control. Many people went [across the border] to buy and sell without permits, and without even paying export and import duties. This sort of a situation has had a bad effect on the conduct of legal commerce in various sectors of the economy. It caused prices in the internal markets to be chaotic, etc.

Occurrences such as these should not be allowed to happen any longer. We must take measures to deal with this problem quickly; this is particularly true of the administrations of those localities next to the Lao-Thai border in areas where the problem has occurred or is still occurring. Some measures to be taken to correct the problem are: increase the control and inspection along the border by using all forces, such as the military, police, guerrilla, customs...to work together on this problem to block smuggling and irregularities along the border; regulate border markets so that they have fixed locations with set entrances and exits, are strictly controlled and

import duties are collected from those bringing goods into Laos and export duties from those taking goods out of Laos according to the principles stipulated by the customs policy of the state; stop allowing private merchants to bring goods directly across the border; change these merchants into retail representatives for state trade and state-private partners in order to collect the [state's] percentage—this means that we must cut the direct trade relationship between domestic private trading groups and foreign merchants; and make travel conform strictly to the principles.

In order to avoid illegal trade and promote free and legal trade, we must adhere strictly to the policies of the party and the various resolutions of the Council of Ministers.

08149

**Sisomphon Lovansai Critiques Election Shortcomings**

*42060048b Vientiane PASASON in Lao 15 Jul 88 p 2*

[“For People's Democracy” column: “Weaknesses And Unfinished Work”]

[Text] This is a part of the assessment made by Comrade Sisomphon Lovansai, member of the party Central Committee Politburo, acting chairman of the People's Supreme Assembly, and also chairman of the national election committee regarding elections at the district level. Mr Sisomphon remarked on the historic success of the second session election at the district level, where 97.80 percent of the people used the right to vote, that it was a high and admirable success. But we must not be afraid to face the truth with new ideology. Mr Lovansai concluded with several shortcomings and some unfinished work that has to be improved.

1. In general we are able to train and campaign broadly but not in depth. We have not yet correctly implemented the materials guided by the party central secretariat in which we must mobilize all the citizens to participate extensively in politics by using the party chapters as a bulwark. As a result, the people have not yet understood deeply the meaning of democracy in each step of the election process.

It is interesting that those who have the right to vote in elections in the provincial and district municipalities, and where it is convenient to vote, exercise their right less than the people in remote areas. Everyone should study the reasons thoroughly so that this weakness can be avoided in future elections at the provincial, capital and central levels.

2. In many localities the process of selecting candidates has not been carried out correctly as suggested by the higher echelons. There is a lack of close coordination between the guidance of the party committee and other

organizations, as stated in Article 4 of the election law. As a result, many localities had to redo it many times. In many places the people signed petitions to have the candidates changed.

3. Many localities took lightly the promotion of the role of the Lao Front for National Construction because this organization was not strong enough to carry out its own job. As a result, it could not provide training support and campaign for the candidates, and the biographies of the candidates were not made known to the voters.

4. In many localities cadres whose names were on the election committee failed to carry out election work. What was worse was that they did not understand that

the election was a duty of all organizations. Thus, these organizations did not work in coordination with the election committees at their own levels, and they still believe that the election task belongs only to the election committees.

5. Another important weakness or shortcoming is that various levels of elections committees, including a number of central cadres, have failed to study the election laws and other recommended documents. This has caused confusion in practice and annoyance for the grassroots.

9884

**British Firm Plans Titanium Dioxide Plant in Terengganu**  
42130180A Kuala Lumpur *BERITA HARIAN* in Malay 15 Jul 88 p 8

[By Jamudin Idris]

[Text] Tioxide Group PLC of London has agreed in principle to invest 500 million Malaysian dollars for the construction of a plant that will produce "titanium dioxide pigment" in Terengganu.

Chief Minister Datuk Haji Wan Mokhtar Ahmad said the plant will employ 400 workers when on line.

In a statement issued in Kuala Terengganu, he said the final decision and the terms under which it may invest in Terengganu depend on whether the plant is acceptable from an environmental standpoint.

#### **Delegation Visit**

Other factors, such as whether it will offer consistent returns, and whether it is technically feasible, will also be taken into account by that firm before it decides to invest in Terengganu, he said.

"Titanium dioxide pigment" is a substance used to produce paint, plastics, paper and printers ink.

The Tioxide Group PLC has 8 plants throughout the world, and the plant proposed for Terengganu is the first in Southeast Asia.

The Tioxide Group PLC is jointly owned by the ICI [Imperial Chemical Industries] PLC and the Cookson Group PLC.

Three representatives of the state government, Haji Mamat Ghazalee Abdul Rahman, a member of the state executive committee; Datuk Setia Wangsa Haji Abdul Rahman Nasir, secretary of the state government; and Datuk Senara Muda Haji Mazlan Hashim, deputy secretary of the state government (for development) visited the home office of the Tioxide Group PLC in London last week.

They were taken to observe plants producing "titanium dioxide" in Italy and France.

Datuk Haji Wan Mokhtar said the state government would give the Tioxide Group PLC every assistance needed to carry out the project in line with efforts to attract foreign investment to the state.

**Revised Count Reveals Only 900,000 Members in Old UMNO**  
42130184b Kuala Lumpur *UTUSAN MALAYSIA* in Malay 4 Aug 88 p 2

[Text] Kuala Lumpur, 2 August—The total membership of the former UMNO [United Malays National Organization] was only 900,000 not 1.4 million, Datuk Mohamed Rahmat, the UMNO secretary general, reported today.

He said the correct total was obtained following a close investigation of the membership rolls.

According to Datuk Mohamed, the investigation found that only 900,000 persons had paid their dues themselves.

The dues of the remaining individuals had been paid by certain persons to swell the branch delegations to the meetings of the divisional congress, he added.

Also, he said it was found that there were more members than were accounted for in the membership roll of a branch.

He gave this information to reporters after inaugurating a Federal Region-level inter-operations camp in Mimaland near here this afternoon.

Datuk Mohamed Rahmat, who also is the minister of information, said that as of today, more than 600,000 applications to join the UMNO had been received.

By law, the UMNO must register 70 percent of the old UMNO membership before it can initiate the process for taking over all property and assets of the old UMNO that is now being held by the estate administrator.

Datuk Mohamed Rahmat also reported that at this time his side has not rejected any application from anyone who wanted to become a member.

Touching on the formation of a UMNO disciplinary committee, he reported that this would be discussed in a future meeting of the Supreme Council.

Mr Ghafar Baba, the UMNO deputy president, is predicted to be appointed chairman of this committee.

Datuk Mohamed reported that a disciplinary committee had to be formed to resolve a number of problems at the lower level, mainly about the membership registration campaign.

Asked about other matters that might be discussed in a future Supreme Council meeting, Datuk Mohamed Rahmat explained that his side would focus attention on preparations for the UMNO congress to be held on 27 October.

Earlier, when inaugurating the inter-operations camp, Datuk Mohamed Rahmat hoped the feeling of "sorrow and joy" was implanted in the lives of the present generation.

According to Datuk Mohamed, the generation after independence did not know the meaning of sorrow and joy which could generate love for the country.

"Those who suffered during the World War II and the Japanese occupation felt sorrow and joy, and they united firmly, to release the nation from the colonialists," he declared.

He was confident that through the inter-operations camp, the spirit of unity, which was considered to be the core of national development, could be created now and into the future.

06804/09599

#### **Membership Stipulation Allows UMNO To Claim Assets of Old Organization**

42130184a Kuala Lumpur UTUSAN MALAYSIA in Malay 4 Aug 88 p 1

[Text] Kuala Lumpur, 3 August—Datuk Sri Dr Mahathir Mohamad said there were enough UMNO [United Malays National Organization] members now to permit it to submit an application to regain the property of the old UMNO that is being held by the Property Control Office.

"We have registered far more than a half (of the total former membership) as new members so we can now apply to regain any property and assets of the old organization," he said in response to questions from reporters here this afternoon after inaugurating the Development Bank tower.

However, the prime minister said, the UMNO will be in no hurry to do this because a number of procedures have to be followed, and this will take time.

Among the stipulations contained in the Organization Act is one which permits the UMNO to regain any UMNO property when more than half of the former party members become members of the new organization.

A spokesman from the Property Control Office today said that the UMNO also had to show proof with records of the former membership to permit it to claim this property.

Last night, Datuk Mohamed Rahmat, the UMNO secretary general, said to date more than 600,000 applications to join the party had been received.

Meanwhile, the cabinet today decided that a royal commission should be formed immediately to conduct an open investigation of the Sultan Abdul Halim Pier jetty which collapsed last Sunday.

The prime minister said Datuk Dr Ling Liang Sik, minister of transportation, would have an audience with Yang di-Pertuan Agong in regard to the formation of the royal commission.

Responding to questions for reporters, Datuk Sri Dr Mahathir explained that the cabinet had put forward several names of individuals to sit on the royal commission, but they could not be announced now.

The prime minister added that Datuk Dr Ling was responsible for announcing further details about the commission.

"After he has an audience with Seri Paduka, the investigation will proceed as quickly as possible," he explained.

Meanwhile, when asked a question about the tribunal for the case of Tun Salleh Abas, Datuk Sri Dr Mahathir said he was no longer involved in this matter.

He said, "A report on the tribunal was submitted to Yang di-Pertuan Agong, and it is now up to Seri Paduka to decide when it can be announced."

06804/09599

#### **Ghafar Confident UMNO Membership Will Top 700,000**

42130176a Kuala Lumpur UTUSAN MALAYSIA in Malay 12 Jul 88 p 4

[By Mahani Othman

[Text] Shah Alam [Perak], 11 July—UMNO [Baru] [the new United Malays National Organization] will claim the assets of UMNO [Lama] [the former United Malay National Organization], which are currently being administered by the receiver of property, as soon as he can show that its total membership exceeds 700,000. This was stated by Deputy Prime Minister Ghafar Baba on 11 July.

Ghafar is convinced that the claim to the assets of UMNO [Lama] can be presented during the course of the next several months, considering that the number of UMNO [Baru] members has gone over 500,000 during the 2 months since the membership campaign was undertaken.

He spoke to reporters after presiding over the opening of the Information Council on 11 July and talking to about 2,000 government employees. The meeting was held in the Perak Jubilee Building in Shah Alam, Perak. He

stated: "A total membership of more than 700,000 is among the conditions which need to be met before the claim to the assets can be presented."

#### Not Difficult

According to Ghafar, it will not be difficult for UMNO [Baru] to attract about 300,000 more members because, up to now, it has been able to bring together more than 500,000 members during a period of only 2 months.

The deputy prime minister declared that, in addition to this condition, several other conditions must also be met by UMNO [Baru] under the Societies Act before the claim referred to can be presented.

He said that among the other conditions which must be met by UMNO [Baru] are a declaration of its ability to pay debts which have not yet been settled, obtaining the permission of the courts, and obtaining the agreement of banks and creditors.

He declared: "In addition to that the receiver of property must also be able to prepare a special scheme to permit the future transfer of the property."

In previous remarks Ghafar urged the government officials to make sure that farmers continue to work existing agricultural land and do not just let the land lie fallow.

He expressed his astonishment that people in this country allow their agricultural land to lie fallow, while the people of Japan, Hong Kong, and Taiwan have no land to work.

The deputy prime minister also advised the people to know how to choose the crops which should be cultivated.

He gave as an example a person who sells bamboo shoots and only has a few acres of land to plant with this crop. He may earn an income of more than 1 million Malay dollars per year.

According to Ghafar, a cutting for growing bamboo shoots sells for 5 Malay dollars in Tokyo and Saudi Arabia, and the same is also true for a cashew nut cutting.

Still speaking to the government employees, he said: "From the logical point of view the government may only listen to those who support it, but may not listen to others just because they support democracy."

He added that since it did not wish to abuse its authority, the National Front government established the Public Service Commission to select government employees and the Elections Commission to conduct the elections.

05170

**Muhyiddin Reports on By-Election Strategy**  
42130173a Kuala Lumpur *BERITA HARIAN* in Malay  
8 Jul 88 p 3

[Editorial by Karim Sulaiman: "BN Decides On Strategy"]

[Text] Johor Bahru, 7 July—The National Front [Barisan Nasional—BN] has decided on its strategy and is starting up its party machinery to make sure that its candidate will win the by-election for the parliamentary seat of Johor Bahru, which will be held on 25 August.

Muhyiddin Mohamed Yassin, the chief minister of the State of Johor, said that he has made a report on the matter to Prime Minister Mahathir Mohamad, who is also chairman of the National Front.

The chief minister made this statement to reporters after visiting the Johor Bahru electoral district in Johor Bahru on 7 July. He said: "The BN is ready for this by-election."

However, he said, the National Front does not consider that it will have an easy time of it in the by-election this time. He said: "We will work hard, we won't be over confident, and we will make sure of a victory for the National Front."

The chief minister, who is also chairman of the National Front in the State of Johor, said that at this time the BN does not wish to announce who its candidate will be, because this is part of its strategy.

He stated: "Each party has its own strategy. People may make predictions, but the BN will hold fast to the strategy of announcing its candidate on nomination day."

#### Income

The by-election will be held, following the resignation on 1 July of Shahrir Abdul Samad, the former minister of community welfare and member of Parliament for Johor Bahru. Shahrir also announced that he will contest the election, running on an independent ticket.

Prior to speaking to the reporters, Chief Minister Muhyiddin had visited several places in the Johor Bahru electoral district. He began his visit to the district at 0900, starting in the Pasar Besar/Pasar Baru areas and continuing on to the market center at the Johor Bahru City Council Tower [Menara Majlis Perbandaran Johor Bahru—MPPJ].

He also visited the market at the bus station on Jalan Trus and the Cedar Point market in Taman Century, ending his visit at about 1200 at the Larkin Neighborhood Center on Jalan Langkasuka.

In his speech to about 200 residents at the neighborhood center Muhyiddin criticized the group which is blocking the efforts of the government to improve the economy.

He stated: "That group does not wish to admit that the government has succeeded in improving the economy in a short period of time, increasing the people's income, particularly among the poor. They charged that the government was not taking firm action to improve the economy. When the national economy improved, they had nothing good to say about it. Indeed, they did not admit the essential point that the government has succeeded in carrying out its responsibilities."

According to the chief minister, the government always takes seriously action to resolve the people's problems.

05170

**Contesting of Johor Baharu By-Election Expected**  
*42130176b Kuala Lumpur UTUSAN MALAYSIA in Malay 12 Jul 88 p 4*

[Text] Johor Baharu, 11 July—The Barisan Nasional [BN—National Front] is ready to face any party or independent candidate in contesting the by-election for the Johor Baharu parliamentary seat in August. This was stated by Muhyiddin Yassin, chief minister of the State of Johor.

He told reporters after attending the general assembly of the Johor Malay Small Merchants Association in Keluang [Johor] on 11 July: "The BN is not saying whether there will be opposition parties contesting the by-election or not."

He added: "What is more important now is that the BN must be ready and must develop a number of strategies in contesting the by-election."

He declared: "The BN has its own strategy whether it is confronted with candidates from opposition parties or by independent candidates." He did not explain this point any further.

**Empty**

The Johor Baharu seat became empty when Shahrir Abdul Samad, a former member of Parliament who had held it since 1978, resigned and will contest the seat again as an independent candidate. In addition to him the Malaysian People's Socialist Party [Parti Sosialis Rakyat Malaysia—PSRM] has also decided to contest the seat.

Meanwhile, the Batu Pahat [Johor] section of UMNO [United Malay National Organization], at a meeting held on 10 July, decided to send a group to campaign for the National Front candidate in the by-election. This was stated by Daud Taha, chairman of the section.

In another development the Johor branch of the MCA [Malaysian Chinese Association] denied the rumor that members of the party will help to campaign for Shahrir.

Jimmy Low, the treasurer of the MCA, commented on rumors that the Johor Baharu section of the organization will do this. He said that the report by Bernama [Berita Nasional Malaysia—Malaysian National News Agency] on this matter was completely untrue because the MCA will continue to follow the policy of only campaigning for National Front candidates.

Low said that Shahrir may possibly have met with some MCA leaders to obtain their "help" in contesting the by-election.

In Kuala Lumpur Lee Kim Sai, deputy president of the MCA, said that the MCA will cooperate fully with the National Front to keep the Johor Baharu seat.

According to him, as a component member of the National Front, the MCA has the duty of jointly bearing responsibility for keeping the seat in the by-election referred to, which is scheduled for 25 August.

**DAP Reconsidering Decision Not To Contest Seat**

The DAP [Democratic Action Party] will reconsider its decision not to contest the by-election for the Johor Baharu parliamentary seat, following the decision of the PSRM to contest the by-election. This was stated by Lee Lam Thye, its acting general secretary, on 10 July.

He said that at the same time he will direct the Johor branch of the DAP to be ready, although the central headquarters of the DAP has not yet made a definite decision whether it will participate in the by-election or not.

Commenting on the decision of the PSRM to enter Abdul Razak Ahmad, its deputy chairman, as a candidate in the by-election on 25 August, Lee Lam Thye said that a meeting of the DAP central working committee will be held in the near future.

He stated: "The DAP will consider this matter more fully, and a meeting of the central working committee will be called."

According to Lee, the DAP indeed praises the suggestion of former Prime Minister Tunku Abdul Rahman to let the two groups in UMNO fight each other. However, at the same time, the DAP wants the "third party" in this affair to do the same.

However, after the DAP decided to stand by and watch the two-sided contest between Shahrir and a UMNO candidate, a third party, the PSRM, decided to participate in the by-election.

Lee Lam Thye said that this most recent development has forced the DAP to review its position, because it is certain that with the PSRM contesting the by-election the struggle for the seat in the by-election in Johor Baharu will be between UMNO, the PSRM, and Shahrir, an independent candidate.

On 26 June the DAP basically decided to contest the by-election. However, on 9 July it withdrew this decision out of "respect for the appeal by Tunku Abdul Rahman" to let the two groups in UMNO fight it out.

#### **Movement To Register Voters Meets Cool Response**

The ongoing movement to register voters is not meeting with a satisfactory response, placing the Elections Commission [Suruhanjaya Pilihanraya—SPR] under pressure to reestablish voter registration centers and subordinate centers in government offices to attract more public service employees to register.

Abdul Rashid Abdul Rahman, secretary of the Elections Commission, spoke on 11 July of the action which will be taken in the registration campaign in 1989, in view of the large number of public service employees who should become voters, but who have not yet registered.

He said that the SPR was not establishing voter registration centers and subordinate centers in government offices at this time.

The 42-day campaign began on 14 June, and about 2 weeks remain before it will end.

Abdul Rashid said that as of now fewer than 100,000 new voters had registered.

The SPR estimates that it will be able to register 400,000 out of nearly 800,000 voters who should register, but have not yet done so.

Abdul Rashid said that the weakest response this time is in western Malaysia, including Kuala Lumpur. However, it is rather good in the States of Kedah, Kelantan, Johor, and Melaka.

Malaysian citizens who reach 21 years of age on or before 14 June may register in this drive, which is being carried on now to allow them to vote in the general election which will be held in 1989.

#### **NLAC To Discuss Draft Amendments to Labor Laws**

42130176c Kuala Lumpur *BERITA HARIAN* in Malay  
12 Jul 88 p 6

[Text] Kuala Lumpur, 11 July—Draft amendments to the labor laws, covering the Industrial Relations Act of 1967, the Labor Act of 1955, and the Trade Union Act of 1959, will be discussed in the National Labor Advisory Council (NLAC) on 28 July.

If no opposition or dissatisfaction emerges, the final draft of the amendments will be presented, after cabinet approval, at an October session of Parliament.

Minister of Labor Lee Kim Sai is convinced that the amendment proposals prepared by the Cabinet Committee at its last meeting on 8 July will be accepted by all groups.

He said: "I do not expect that any problems will come up after this in the meeting of the NLAC. I feel that one meeting will be enough. If there is opposition which cannot be resolved at once, I will bring up the amendments for further consideration and approval by the cabinet." He made these remarks to reporters after presiding over the opening of the Labor Health and Safety Course in Kuala Lumpur on 11 July.

Lee said that the views of the NLAC, which is made up of representatives of the government, management, and workers, will be considered before the final draft of the amendments to the labor laws is presented to the cabinet.

He said that several proposals have been changed and several other suggestions have been dropped by the Cabinet Committee, which is chaired by Deputy Prime Minister Ghafar Baba, showing that the committee is taking seriously the views of all concerned.

However, he said that a new draft of the amendments will not be presented at this time.

Nevertheless, Lee was unwilling to reveal the original draft amendments which were dropped and characterized the reported rejection of the draft prohibiting workers and management from using lawyers in discussions in the Industrial Court as pure speculation.

Three other proposals which are said to have been dropped include a regulation covering provisions to permit the Ministry of Labor to prepare a procedural code for the Industrial Relations Act, certain aspects of powers affecting salaries in the Labor Act, and several matters concerning internal trade union affairs in the Trade Unions Act.

**Improved**

Regarding this possibility, Lee limited himself to saying that only those draft amendments which were strongly opposed by management and labor and which would provoke controversy were dropped.

Previously, in his speech opening the Labor Health and Safety Course Lee said that the government is implementing a plan for industrial centers, as well as trying to attract more investment in this country.

In that connection, he said, the Factory and Machinery Office in his ministry will continue to carry out inspections of machinery and work places to ensure that the safety and health of the workers are more fully safeguarded.

The 5-day course has the objective of providing knowledge and expertise to leaders to prepare and implement action to ensure safety and health in the work place.

05170

**PSRM Seeks Assurance From Independent Candidate Shahrir**  
42130177a Kuala Lumpur *UTUSAN MALAYSIA* in Malay 13 Jul 88 p 2

[Text] Johor Baharu, 12 July—The Malaysian People's Socialist Party [Parti Sosialis Rakyat Malaysia—PSRM] wants an assurance from Shahrir Abdul Samad, the independent candidate, that he will not rejoin the National Front [Barisan Nasional—BN] if he wins the parliamentary by-election for the seat of Johor Baharu on 25 August.

Abdul Razak Ahmad, deputy chairman of the party, said that we want an assurance of this before withdrawing from participation in the by-election so that we will not be "the prey in a political game."

Razak, who is also chairman of the PSRM in the State of Johor, said: "For that reason our party wants Shahrir to make public his election manifesto stating in detail the basis of his program in all matters, particularly those which concern important national issues."

He said that up to now the independent candidate has only criticized the government and the leadership of Prime Minister Mahathir Mohamad, while many voters are not bound by his views.

Razak announced that this party would participate in the by-election after the Central Working Committee of the PSRM, which met on 11 July, decided this.

Razak said that his party has a program and ideology which are not easily affected by the views of any other group, so that it could support Shahrir Abdul Samad, the former member of Parliament for Johor Baharu, in engaging in a direct confrontation with a candidate of the National Front.

Razak said that should the PSRM not present a candidate, Shahrir might easily win. He asked what would happen if Shahrir turned such a victory into a "bargaining chip" to rejoin the National Front.

He declared: "Shahrir has even stated that his views continue to be in accordance with the principles of UMNO [United Malay National Organization], although he describes himself as an independent candidate."

Meanwhile, the MCA [Malaysian Chinese Association], the MIC [Malaysian Indian Congress], and Gerakan [Gerakan Rakyat Malaysia—Malaysian People's Movement] will each bring their most senior leaders to Johor Baharu in an effort to ensure the victory of the National Front in the by-election for the parliamentary seat of Johor Baharu in August.

Lim Si Cheng, secretary of the Johor branch of the MCA, said that Dr Ling Liang Sik, president of the MCA, and Lee Kim Sai, his deputy, will lead the group of MCA leaders who will help the Johor Baharu branch of the National Front to campaign, particularly in areas where a majority of the voters are of Chinese descent.

S. Samy Vellu, president of the MIC, S. Subramaniam, deputy president of the organization, K. Pathmanaban, assistant president of the MIC, and other party leaders will also participate in the campaign for the National Front.

Dr Lim Keng Yaik, president of Gerakan; Paul Leong, his deputy; Kerk Choo Ting, general secretary; and Alex Lee, treasurer, are also expected to support the National Front campaign in this by-election.

Lim informed a BERNAMA [Berita Nasional Malaysia—Malaysian National News Agency] representative in Johor Baharu that the MCA is also preparing a detailed strategy aimed at Johor Baharu voters, especially the Chinese, in an effort to win their support for the National Front.

05170

**MIC Acts To Revive 68 Branches**  
42130177b Kuala Lumpur *UTUSAN MALAYSIA* in Malay 13 Jul 88 p 5

[Text] Kuala Lumpur, 12 July—The MIC [Malaysian Indian Congress] will revive 68 branches which were disbanded in April 1988, but will not accept as members the 1,496 former leaders of the branches concerned. This was stated by S. Samy Vellu, president of the MIC, on 12 July.

These branches were disbanded after they failed to pay membership dues owed to the central headquarters of the party.

In addition 22 leaders from each of 12 disbanded party branches in western Malaysia will also not be received back as members of the MIC because they established the branches without following the party constitution and by-laws. This makes a total of 1,760 leaders of the MIC who will not be received back as members when the previously dissolved branches are reestablished. S. Samy Vellu announced at a press conference on 12 July that this decision had been made at a meeting of the Central Working Committee of the MIC on 11 July.

He said that the branches which will be revived will arrange for the re-registration of members, including accepting new members and electing new leaders to preside over the respective branches.

He also announced that the 90 branches which paid their dues in accordance with the established list of charges will be directed to re-register members and to elect new officers. Leaders of these branches will be accepted back and may run for office in the branches concerned.

In accordance with the constitution and by-laws of the party each branch needs to pay its membership dues to party headquarters before 15 February.

In April 1988 the party disciplinary committee decided that 68 branches had failed to pay their dues, 90 branches had not collected dues in accordance with the established charges, and 13 other branches paid dues with checks written without funds to back them.

05170

**Prime Minister: 'No Easy Way Back for Communists'**  
42130173b Kuala Lumpur UTUSAN MALAYSIA in Malay 8 Jul 88 p 2

[Text] Kuala Lumpur, 7 July—Communist leaders who repent of their actions cannot easily be received back into society in this country. This was stated by Prime Minister Mohamad Mahathir in Parliament on 7 July.

He stated: "We must remember that they were involved in a movement which caused the death of many people in this country. They also destroyed property, created fear among the people, and killed many members of the security forces. We cannot easily receive them back because they have repented of their actions." He made this statement in answer to a supplementary question by Mohamad Noh Rajab (National Front, Tampin [Melaka]).

According to the prime minister, the communist leaders must be arrested (even though they return of their own volition) and undergo reeducation so that they will no longer support communist thinking.

He said that it must also be determined whether they were involved in certain incidents or in criminal activity.

Should they be found to have been involved in criminal activity, legal action will also be taken against them after they complete reeducation.

He declared: "And when they have served their sentences and really have repented, only then may they be released."

In answer to a supplementary question from Hu Sepang (Democratic Action Party [DAP] from Rasah [Selangor]) Doctor Mahathir said that since he has been prime minister, about 2,000 communist supporters have been released.

However, there are about 300 other members of the communist organization who are still being held, including those who appear to be strong supporters of communist thinking, those who do not wish to repent, and those who reject the practices of democracy.

He said that, usually, the communists are identified because of the way in which they act and the way in which they influence other people with their communist thinking.

The prime minister also said that the government has never considered those who oppose it as communists. He said: "If all of the people who oppose the government are regarded as communists, certainly we would build more jails."

Responding to a further question from Zubir Embong (National Front—Kuala Terengganu) [Terengganu], the prime minister also said that the government was aware of the ways in which the communists introduce their thinking through the Communist Front Organization (CFO) and through organizations which support justice, human rights, labor rights, ecology, or social movements.

Usually, those who are easily influenced by communist thinking are those who are inexperienced.

It was following such a situation, the prime minister said, that the government took action at the end of 1987 in arresting a number of people who were members of the Communist Front Organization and who got their ideas from overseas.

05170

**Columnist Comments on U.S. Philippine Bases**  
42070169e Bangkok DAO SIAM in Thai 29 Jun 88 p 2

[“Small World” column by “Bond”: “The United States and the Philippines”]

[Excerpt] The United States and the Philippines are engaged in a quarrel over the U.S. air and naval bases. The United States refuses to increase the amount of rent paid to the Philippines for the use of these bases. The Philippines, on the other hand, insists that it should be paid more, rightfully claiming that the United States does not value the bases in the Philippines as much as it does other allies even though the U.S. bases in the Philippines are extremely important. Thus, there must be discussions and negotiations.

Even though representatives of the two sides have been negotiating for several months now, they have not been able to reach an agreement. The United States is threatening to withdraw its bases immediately if the Philippine government demands too much in rent. The American negotiators are not the only ones who have made such threats. Mr George Shultz, the U.S. secretary of state, has made such threats, too.

It seems that President Aquino does not want to get involved in making the decision on whether to extend this treaty. She is allowing Mr Raul Mangklaput, the Philippine minister of foreign affairs, to handle this at the negotiating table.

The Philippines does not have the money to maintain such large military bases on its own. But it might be able to convert the military bases to commercial facilities. However, it is still thought that the United States and the Philippines will be able to reach an agreement.

11943

**Thai, PRC Control of Khmer Rouge Viewed**  
42070165a Bangkok BAN MUANG in Thai  
20 Jun 88 p 2

[“Stop the World” column by “Freeman”: “Thailand and the Cambodia Problem”]

[Excerpts] When Vietnam agreed to withdraw its troops, it asked the Thai government to promise that it would not allow the Khmer Rouge to seize power in Cambodia and begin killing the people again. However, I don't think that the Thai government is in any position to make such a promise. It is China, which has supported the Khmer Rouge since the very beginning, that can promise Vietnam this. Because if the Khmer Rouge don't obey the orders of China, I don't know what the Chinese government will do. At this point, the Thai government must stay out of Cambodian affairs, allow the Cambodians to decide matters, and let Vietnam negotiate with China.

If Vietnam turns over responsibility for the safety of the Cambodians to the Thai government after it withdraws its forces from Cambodia, will the Thai government be able to handle this? The Thai government should think about this very carefully and discuss this with China, which will establish an arms depot in Thailand along with the U.S. arms depot. It should ask China whether it can handle this and control the Khmer Rouge.

Col Prachak Sawangchit, who was once known as the hero of Taphraya during the period when the Khmer Rouge were in power in Phnom Penh, should issue a statement on this and give his views on whether Cambodia will be peaceful after Vietnam withdraws, which is what the Thai government hopes.

11943

**Khukrit: SRV Saved Cambodia From Khmer Rouge**

42070156b Bangkok SIAM RAT in Thai 9 Jul 88 p 9

[“Soi Suan Phlu” column by Khukrit Pramot]

[Excerpts] Countries throughout the world fear the Khmer Rouge. Because of this, I really don't understand these countries. The Khmer Rouge seized power in Cambodia and then wreaked havoc on the Cambodian people. They intentionally killed so many people that the country was filled with skulls. The vultures all left Thailand to feast on Cambodian bodies.

During that period, the world cried out and protested the barbaric acts of the Khmer Rouge. But no one actually did anything. All they did was to protest. Later on, Vietnam sent troops into Cambodia, drove out the Khmer Rouge, and set up a new Cambodian government, which was backed by Vietnam. After it did that, the oppression and killing in Cambodia stopped, and Cambodians had time to revive.

When Vietnam sent its troops into Cambodia, the world community stopped protesting the barbarity of the Khmer Rouge and instead started protesting Vietnam's invasion of Cambodia. Vietnam was portrayed as having committed a serious error. They said that Vietnam was acting like a bandit and that no one should have anything to do with Vietnam.

At the annual meeting of the United Nations, the government of Democratic Kampuchea and the Heng Samrin government both asked for a UN seat. Ever since then, the United Nations has always voted to seat the Democratic Kampuchea government of Prince Sihanouk. The United Nations has refused to recognize the Heng Samrin government. It is like an illegal government in its own country.

This shows that the world thinks that Vietnam committed a crime because it sent troops into Cambodia in order to drive the Khmer Rouge out of power. Stated simply, Vietnam curtailed the power of the Khmer Rouge to kill Cambodians, which is what the Khmer Rouge had been doing.

The governments of the world, or to be more exact, the foreign ministers of the various countries, who have the power to make decisions on matters concerning foreign affairs, felt that Vietnam had committed an unforgivable sin by sending troops into Cambodia even though there is no evidence to indicate that Vietnam has committed atrocities there. There is no evidence that Vietnam has killed people or forced people to separate as the Khmer Rouge did. From the standpoint of moral values and the standards of the Phalang Tham Party, I don't think that what Vietnam did was a sin. It was the Khmer Rouge that sinned.

11943

**War Materials Seized in PRK Border Province**  
42070169d Bangkok *DAO SIAM* in Thai  
24 Jun 88 pp 1, 15

[Excerpt] At 1300 hours on 23 June, Police Maj Anan Huangsaithong, an inspector with Section 4, Precinct 2, Marine Police Division, in Trat Province learned that a shipment of war weapons was going to be smuggled into the country and sold in Bangkok. Thus, he took a team of police officials to make the arrest in a jungle area at the foot of the mountains along the Yai-Hat Lek canal at Km 78, which is 2 km before you get to Ban Hat Lek. Searching the area, the officials found some rocks that had been piled up and so they removed the rocks.

The officials found 4 boxes of AK ammunition containing a total of 750 rounds of ammunition, 1 box of 60-mm mortar and M-78 charges containing a total of 400 rounds, two 107 rockets, 15 "noi na" grenades, 8 No-40 RPG rounds, 8 RPG primers, and 4 M-46 grenades. The smugglers had fled before the police arrived. The evidence was seized and taken to the Marine Police Division in Trat Province. The police are searching for the smugglers.

11943

**Defense Minister Orders Supreme Command Slots Upgraded**  
42070154d Bangkok *DAO SIAM* in Thai  
8 Jun 88 pp 1, 16

[Excerpt] On the morning of 7 June 1988, before going to attend a meeting at the Government House, Air Chief Marshal Phaniang Kantarat, the minister of defense, discussed the matter of upgrading (special) colonel slots to major general slots. He said that this did not conflict with adjusting the structure of Supreme Command Headquarters. Certain assistant director slots at

Supreme Command Headquarters will be upgraded to major general slots so that the rank of those who fill these slots matches their position and duties. The number of people will remain the same. Officers assigned to Supreme Command Headquarters who do not have any duties will be assigned to these new slots. But the number of slots will not be increased.

When asked if the position of assistant director is important enough to warrant the rank of major general, Air Chief Marshal Phaniang said that this is an important position because it concerns administration. There must be a director with the rank of lieutenant general and a deputy or assistant director with the rank of major general. This is being done in order to bring about conformity with other government units.

When asked whether this would result in lower-ranking officers being promoted, Air Chief Marshal Phaniang said that it would not. All that has been done is to upgrade special colonel slots to major general slots. There has been no shift in positions.

The reporter asked if there can be a reshuffle at this time. Air Chief Marshal Phaniang said that there can be a reshuffle at any time as appropriate. There are no restrictions. But at present no one has proposed having a reshuffle.

Air Chief Marshal Phaniang was asked what progress has been made in adjusting the structure of Supreme Command Headquarters. He said that the chief of staff officers are now making structural adjustments. This is not a simple matter. This is very difficult and must be handled carefully.

11943

**Finance Ministry May Raise Debt Ceiling; Energy Issues Viewed**  
42070158a Bangkok *MATICHON* in Thai 13 Jul 88 p 5

[Text] A report from the Ministry of Finance informed MATICHON that the Ministry of Finance is now studying the necessity of raising the foreign debt ceiling, which had been set at \$1 billion, because of the need for more investment capital, particularly for public utility construction to support the expansion of the economy, which is growing faster than forecast in the Sixth Economic and Social Development Plan. Besides this, investment in various activities, such as energy, requires the use of large loans. These activities must be completed as quickly as possible in order to keep up with demand. In particular, the Electricity Generating Authority of Thailand (EGAT) has said that it needs at least \$1.5 billion in loans for investments next year.

The report stated that the new loan ceiling will probably be about \$2 billion. This should not affect the country's financial position, because during the past 2-3 years, revenues from exports increased greatly and future

trends look good. In the past, the loan ceiling was higher than this. Specifically, it was lowered from \$2.6 billion to \$2.4 billion, \$2 billion, and finally \$1 billion.

In an interview, Mr Suthi Sinsane, the minister of finance, said that the budget for energy construction will total at least 100 billion baht. This debt must be spread over several years. If the debt ceiling is not raised, this could affect investments.

On 12 July, Mr Aphilat Osathanon, the director-general of the Department of Public Relations, issued a statement saying that the cabinet has authorized five state enterprises to take baht loans in conjunction with the foreign loan program for fiscal 1988. The five state enterprises are the Industrial Estate Authority of Thailand, 70,883 million baht; the Metropolitan Water Works Authority, 120,500 million baht; the Provincial Electricity Authority, 207,229 million baht; the State Railway of Thailand, 293,142 million baht; and the Telephone Organization of Thailand, 450 million baht. These state enterprises will be responsible for paying the principal, interest, and all expenses incurred in borrowing the money.

11943

**General Sunthon, Supreme Command View PRC Arms Depot**  
42070158e Bangkok SIAM RAT in Thai 7 Jul 88 p 3

[Text] In an interview on the establishment of a Thai-Chinese arms depot, Gen Sunthon Khongsomphong, the chief of staff officers, said that the establishment of this arms depot is different from that of the Thai-U.S. arms depot. This is because this will actually be an equipment depot for stockpiling such things as artillery shells and parts for weapons purchased from China. This will include parts for tanks, track transport vehicles, artillery, and AAA. No weapons will be stockpiled at this depot, and it will not be called an arms depot.

Gen Sunthon said that we are now in the process of studying the feasibility of this and looking at the equipment and parts that will be stockpiled here. We are looking at the steps involved in drawing items from the depot for use. Thailand wants to be able to obtain items from the depot immediately whenever there is a need for them without having to wait for authorization from the Chinese government. Besides this, an agreement must be reached on whether one side will pay for the construction of this arms depot or whether this will be done jointly. Representatives of both countries are now holding negotiations, and it is expected that results will be achieved soon.

A report from Supreme Command Headquarters stated that the idea of establishing a Thai-Chinese arms depot originated after fighting broke out at Ban Rom Kiao in Chat Trakan District, Phitsanulok Province. Many of the weapons that Thailand had purchased from China

were damaged and needed to be repaired immediately. But it took a long time to obtain parts and replacement equipment. Thus, it was proposed that a Thai-Chinese arms depot be established.

11943

**Further Comments on PRC Arms Depot, Air Force Views**

42070158d Bangkok DAO SIAM in Thai  
7 Jul 88 pp 1, 15

[Excerpt] Gen Sunthon Khongsomphong, the chief of staff officers, gave his views on the establishment of a Thai-Chinese arms depot in Thailand. He said that it must first be understood that this arms depot would not be like the Thai-U.S. arms depot. Actually, the Thai-Chinese arms depot should be called an equipment depot, because this depot will stockpile only parts, such as spare parts for tanks, artillery, and AAA. No weapons will be stockpiled here. Thailand has purchased several types of weapons from China.

The chief of staff officers said that China will stockpile various types of equipment at this equipment depot. Whenever Thailand needs to use such materials, it can purchase them from this depot. This will save time and money, because it won't be necessary to purchase these items in advance. At present, the establishment of this equipment depot is being discussed and studied. No official agreement has been reached.

Air Chief Marshal Woranat Aphichari, the RTAF CINC, said that with respect to the air force, there will be equipment and AAA parts. The air force has already purchased a certain amount of equipment from China. The establishment of this equipment depot will have positive results, because Thailand won't have to use budget funds, which are very limited, to purchase items in advance. We will be able to spend these budget funds on other things.

A news report stated that Gen Wanchai Ruangtrakun, the deputy RTA CINC, and his party, who traveled to China about 2 months ago, have contacted China in order to discuss the establishment of this equipment depot in Thailand and to find a way of bringing this about.

11943

**People's Party Leader Views Reasons for Democrat Split**

42070142 Bangkok MATICHON in Thai  
23 May 88 p 3

[Interview with Kunying Sasima Srivikorn, acting head of the People's Party; place and date unspecified]

[Excerpts] [Question] Why did you have to form the People's Party with you as acting party head?

[Answer] Many newspapers are saying that many small political parties with around 20-30 seats are trying to form a large opposition or pro-government coalition party or whatever with 70-80 votes, so that we would not have so many parties.

For example, I am determined to support the idea of forming a government with the party head as a deputy premier. Everyone must agree that there cannot be many political parties. Good people should be able to join together. That is easier said than done because Thailand has many variables which make it difficult to achieve.

The first reason for this is that each person usually worries about his status. Some persons say that they are more experienced in politics than others, some that they have more MPs in their hand, some that they are older, others that they are higher ranking in government service.

As a result, this kind of politics fails. It should not be like that.... In Thai society, we have seen a lot of these things for many decades. Old people must come before young, for example; kids cannot lead old people, or women cannot lead men.

We can see these behaviors.... Even though in their hearts the 10 January Group can see that parties should consolidate and fully support that idea, they also can see the obstacles. We all agree that we are the only intact group because we have just split from the Democratic Party. If we, who are still a group cannot consolidate—the likelihood that we will fail is as high as 90 percent—what should we do? First we should finish forming a party, which is like having a home first.

If we want to unite, let's go ahead and do it! Mr Chaloemphan in his role as the 10 January Group need not become party head in order to show that he is the head of a party that is prepared to unite. At the same time, Chaloemphan has said we must keep a second home ready for us. He assigned me the task of forming a party. If the formation is successful, then we do not need the house; if it fails, we can stay with the newly formed party and be the executive committee for the new party and so on. These are my ideas. I am the acting party head only.

[Question] What is your opinion about the conflicts and the withdrawal of the 10 January Group?

[Answer] I have been observing the conflict as an intimate of Chaloemphan, and as a Democrat.... Mr Khuang Aphaiwong was my grandfather. I have... you can say, a relationship with the Democratic Party as the party created by my ancestor. I don't want to see it go down hill. However, I have not always favored the way the Democratic Party has been run, and I myself have never been a member.

I think the incident—which should not have occurred—happened because of the ambition of a few people, namely the party head and some who run the party and who are not full blooded Democrats. Because they are new members, they want the party to be run like this or that. If anyone has different opinions, he must be suppressed and scolded. These people become big shots and they forget what they stand for.

For another thing, they are insincere, deceptive, do not keep their word, and are tricky. And everyone knows they are trying to smear the 10 January Group's image, saying that the 10 January group wants to be ministers. They are fully aware that we had affirmed that this is not so. We did not say that we have to be ministers. We are just negotiating as to how the party should be run. We only want to change the way it is run. This is our first bargaining step. Why? Because it is not right that the administrative body is split into two voting blocs, and there is only one part of the party that runs it. Those who split out were never involved in administration; none got in. How can the party survive? If they want to keep the party alive, they must try.... General Han Lilanon resigned, Pramote Sukhum resigned in order to open the door for reorganization. But they have stubbornly refused to reorganize, under the pretext that they must suppress rebellions, that if they let it go, the next time these rebels will be thorns within the party.

It depends on the party head. Even now he cannot clear up the financial problems. He deposited the money in the bank himself and alone signed the checks, but he himself cannot clear up the matter! Secondly, nominating his own son to be a minister is improper procedure. These are old problems that he is trying to cover up. We are broken-hearted ministers.

We went along because we were in the minority. The 10 January Group members were not nominated as ministers to help with the campaigning; there were only a few of us, so it was easier to move around. They have 16 ministers and each has 30 functionaries. Those who are reluctant to engage in commerce want to be on the government side; they do not want to be its enemies or neutral anymore. Around 30 of us stayed on our own two feet, alive with a sense of spirit and ideals. They thought that the Democratic Party will give them time to destroy us, because they thought as time went by we would be tired of fighting back, we would not survive and would split up. They would pull a couple of people from us at a time to disperse the group. Unfortunately, they have encountered a rock-solid group, because this group will not be broken up.

And then there was the encounter over the copyright bill, for which the Democratic Party was the principal interpreter, and which was supposed to be amended to exclude software. Ms Suphatra Masadit was the main character. I still do not know how she will get herself out of trouble during her election campaign with those who disagreed with her about how disadvantageous this bill

would be for the government and the Thai people. People will ask her to amend the bill like this and that, but when the time comes, will she give in while making some excuse about good manners?

Good manners go only so far. But if we have to give away our homeland and our national interests or our children's interests, I think we should be rude instead. The 10 January Group thinks we must protect these interests. Why? This copyright issue is worth billions of baht to not only our generation but the next ones. Our GSP can be cut; look at Singapore's. As soon as it got approved, it was suddenly cut.

The Democratic Party head should not be greedy. He should have resigned at the start to protect the party's interests, but he is ambitious and is living day by day, swaying this way and that, with no pride or status.

Then they came and blamed the dissolution of Parliament on the 10 January Group for being delinquents and rebels. They can say anything, but the people have brains; they know what they want, what the 10 January Group wants. Let's see the results this time as to how many seats the Democratic Party gets.

[Question] Do you think that the dissolution of Parliament was caused by the 10 January Group controversy, and how popular will the Democratic Party be?

[Answer] I would like to answer the first question first, as to whether the 10 January Group caused Parliament to dissolve. I must answer definitely no, because we had our stance on the copyright bill ever since it was introduced in the Parliament. The Prime minister asked Mr Chaloemphan whether we could abstain from voting on it. Mr Chaloemphan answered no, because that was our stance.

Every politician says that he has to have ideals, but ideals alone are not enough; he must have stances. Without a standpoint, he will sway this way and that. Mr Chaloemphan told us that our group would not win. He did not say anything. He never asked us to abstain, so it shows that the 10 January Group was not the cause of the dissolution of Parliament. This thing has been going on for ever. It has gone full-cycle and we have been attacked without any warning.

If you ask me the Democratic Party is less popular as a result, I can tell you that its popularity has decreased since the start of the split, and it is worsening because the people who run it have not tried to improve its image. Instead, they are busy wanting to be ministers, executives, big boys, and letting us, the 10 January Group, lose strength on our own. Luckily, this has not happened, we are quite strong.

Therefore, the Democratic Party has reached bottom. That usually is the case. Everything that comes up, must descend very low, and continue downward. But I don't

believe that the party head can lead the troops back up, like Professor Seni could. Professor Seni climbed upward with real ideals. He had no anger, no greed, no nepotism. When he was Democratic Party head, his son did not run in Bangkok. Anyone could run in Bangkok because the Democrats controlled it, his son would have to run upcountry, because he did not want to make it a family industry. He ruled the party fairly. I don't think this party head can do this.

12597

#### **Chawalit Use of Army Secret Funds To Support Party Probed**

42070154a Bangkok SIAM RAT SAPDA WICHAN in Thai 26 Jun-2 Jul 88 pp 9, 10

[Excerpts] In the present atmosphere, there are rumors that Gen Chawalit Yongchayut, the RTA CINC and acting supreme commander, used secret government funds to support the Thai Agro-Industrial Party. Regardless of how this rumor got started, this was the same as slinging mud at Gen Chawalit by relying on outside images. Many people are basing this on the relationship between the military leader and the leader of this political party. Because the rumors that have appeared all portray the leader of the Thai Agro-Industrial Party as being very close to the RTA CINC.

The leader of the Thai Agro-Industrial Party is Mr Ubonsak Bualuangngam. Mr Anan Buranawanit is the party secretary general. Mr Ubonsak was once a member of the New Force Party. After that, he joined the Ratsadon Party. And in the 1986 general election, he ran on the ticket with Gen Thianchai Sirisamphan, the leader of the Ratsadon Party, in Lopburi Province. But he lost.

After failing to win election, Mr Ubonsak tried to create a new role for himself by playing a role in the farmers group. He was elected president of the Central Farmers Group of Thailand in place of Mr Prarom Buasamli. Ever since, Mr Ubonsak has continued to increase his political role.

Because of his position as president of the Central Farmers Group of Thailand, Mr Ubonsak was appointed to the Senate. It is said that he sided with Gen Chawalit and Gen Thianchai. At the same time, Mr Ubonsak used his position as president of this group to spearhead the drive to raise rice prices. He coordinated this with Kittiwuttho of Chittaphawan Withayalai and the army, which purchased paddy from the farmers. Mr Ubonsak organized several farm meetings at Chittaphawan Withayalai and invited Gen Chawalit to opening the meetings.

With this cooperation, people on the outside were sure that there was something unusual about the activities of Mr Ubonsak, especially in view of the fact that he had received support from senior people. And in particular, his activities could not be separated from the movement

of the head of Chittaphawan. Thus, the rumors that Gen Chawalit had given secret government funds to support Mr Ubonsak's party was in line with the understanding of some people.

"This has been damaging and may lead to a misunderstanding," said Maj Gen Narutdon Detchapradiyut, the secretary of the army, in denying this rumor. He also said that the army is now conducting an investigation to see who started this rumor about Gen Chawalit giving secret government funds to support the election campaign of the Thai Agro-Industrial Party. "There are regulations on the use of secret funds, and finance officials monitor this. I will have to question those involved."

Mr Anan Buranawanit, the secretary general of the Thai Agro-Industrial Party, said that the party knows nothing about secret funds. But he did admit that there probably are such funds, because there have been many rumors about this. He insisted that the party had no reason and no right to receive secret government funds.

"We suspect that a party with a former high-ranking military officer may know something about this. Because that person used to use these secret funds. I would like the prime minister to investigate this matter," said Mr Anan. Even though he did not mention the party by name, saying only that it is a party with a former high-ranking military officer, people know to which party he was referring.

"Secret funds aren't easy to obtain. I think that they wanted to attack the Ratsadon Party," said a military news source. He added that the secret government funds are dispersed among various units. They are not controlled solely by the RTA CINC or the army. For example, the 4th Army Region has secret funds for its intelligence and operations sections and its civil-police-military unit. It doesn't all go to the commander of the army region. And whenever money is spent, there must be documents.

"For example, if I pay you, there must be documents," said the news source. He added that the army's entire budget, including the secret funds, is controlled by the army comptroller. The army Office of the Auditor, whose duties are similar to those of the Office of the Auditor General of Thailand, monitors expenditures.

11943

#### **Lese Majeste Arrests Stir Rights Charges; Law To Change**

42070154b Bangkok MATICHON in Thai  
10 Jul 88 pp 1, 18

[Excerpt] Mr Tongbai Thongpao, a lawyer who has won the Magsaysay award, talked with MATICHON about the arrest of three suspects on charges of distributing leaflets critical of the monarchy. Police officials arrested the three suspects on the evening of 3 July during the

Ratchamangkhalaphisek celebration at Sanam Luang. He said that he had learned that three students had been arrested on charges of having leaflets critical of the monarchy in their possession and that they had been taken to the Bang Khen Prison. He said that what he can't understand is why the police in the age of Police Gen Phao Sarasin, who is considered to be an honest man, violated the human rights of these people. After the suspects were arrested, their relatives were not informed, this was not revealed to the public, and they were not allowed to have visitors. If these arrests had been made properly, the police would not have violated their human rights like this.

Mr Thongbai said that according to Article 7-B of the Code of Criminal Procedures, suspects have the right to meet with a lawyer. Thus, he said that he doesn't understand what was in back of this. Secret arrests, in which people simply disappear, should be a thing of the past. This should not happen in this day and age.

A journalist reported that at the criminal court at 1500 hours on 8 July, prosecutors from Criminal Case Division 1 brought in Mr Montri Akson-in, Mr Sanit, or Ra, Butchanthakhongsi, and Mr Chana, or Ti, Sikiatisak, or Lieo Wisutthi, or Sae-ung, the three suspects in the lese majeste case, and filed charges with the criminal court. They charged that the three defendants had distributed leaflets criticizing the monarchy and urging the people to change the administrative system to a socialist system. The police arrested the defendants, who had these leaflets in their possession, at Saman Luang on 3 July during the Ratchamangkhalaphisek celebrations.

Interrogation officials turned over copies of the interrogation and the three suspects to the prosecutors for prosecution at 1400 hours that same day. The three defendants confessed, and so the prosecutors took the three defendants and filed charges in court. They also asked that the court consider the case *in camera*. After deliberating, the court ordered the case to be tried *in camera*.

At 1630 hours, the court settled the issue. But during the court hearing, the defendants denied the charges. The court considered the matter and said that it would hear prosecution witnesses at the next session.

A news report from the Ministry of Interior stated that the Anti-Lese Majeste Committee held a meeting on 7 July. This committee, which is chaired by Mr Somphon Klinphongsa, the deputy under secretary of interior, and whose members include representatives from the Bureau of the Royal Household and Department of Public Prosecutions, met in order to discuss ways of preventing other forms of lese majeste besides oral and written forms.

The report stated that those at the meeting passed a resolution recommending that the Ministry of Interior promulgate a draft act to revise Article 112-B of the

Criminal Code in order to submit this to parliament. Paragraph 2 would be expanded by the inclusion of the following sentence: "Whoever commits an act of lese majeste damaging to the honor of the king, queen, or royal heir may be sentenced to up to 5 years in prison."

The report stated that this was the second time that this committee had met since the governor of Nakhon Phanom informed the Ministry of Interior that merchants were selling watches to which pictures of the king had been attached. This was improper, but there was no law to prevent this.

The news report stated that a representative from the Bureau of the Royal Household confirmed that it is essential to revise this law in order to maintain the dignity of the monarchy based on the intention of the constitution.

The report stated that the committee submitted this recommendation in order to make the law more specific on such violations and generate criminal responsibility. Anyone who witnesses a violation can inform government officials, that is, investigation officials and prosecutors, in order to file charges and have the court decide whether the defendants committed a violation. However, people in general cannot file charges with the court directly.

11943

**Labor Strife Tied to Foreign Business Reports**  
**Khukrit**  
42070156a Bangkok SIAM RAT in Thai 12 Jul 88 p 9

[“Soi Suan Phlu” column by Khukrit Pramot]

[Excerpt] The G.S. Steel Company was a joint Thai-Japanese company. The company opened a plant and began operations a long time ago. But then it was announced that the company was being disbanded and that the plant was being closed. The reason given was that the company was suffering heavy losses because of the wage disputes with the laborers at the plant. The laborers wanted higher wages and more services for the convenience of the laborers.

The laborers at this plant have held demonstrations demanding that the government use its powers based on the Labor Law to force the company to reopen the plant so that the laborers can go back to work. But the government has said that it can't force a company to reopen. That is the word from the Government House.

But the director-general of the Department of Labor issued a statement last Friday stating that the G.S. Steel Company will soon reopen. I don't know whether they will continue to contradict each other. But the secretary general of the prime minister told laborers that the government will try to find new jobs for all of them, or as many as possible. What that means is that the government does not think that the G.S. Steel Company will

reopen. Instead, the government will try its best to find jobs for these laborers in other companies. In my view, this is where the problem is.

There has been much talk about how lucky Thailand is. Many foreign companies are investing in Thailand, because labor here is cheap. Whenever I hear this, I am filled with revulsion and with pity for Thai workers, who are fated to be the tools of others, even foreigners. The Thai workers must help these others gain great wealth while they themselves have to live on their low wages. And it will continue like this, because if their wages are increased, foreign investors will close their companies and return home. It will no longer be worthwhile to invest in Thailand.

The G.S. Steel Company said that it had to close down because of heavy losses stemming from the demand by laborers for higher wages and various benefits. By benefits they probably meant various welfare services that must be provided to laborers.

Thus, as I have frequently said, such foreign investment will not benefit the Thai people very much. The G.S. Steel Company provides a good example.

As for the fact that the government has not used its legal powers to force the company to reopen so that the laborers can go back to work, there really may be a legal problem as the government has said. The government has said that when a company goes out of business, the government cannot use its powers based on the Labor Law to force the company to reopen. I don't deny that. Because if a company that has gone out of business wants to reopen, it must register to reopen the company. A company that has closed cannot just announce that it is going to reopen.

But at the same time, I would like to say that the present government is enthralled by the idea of foreign companies investing here and has permitted many to do so. The government feels that foreign companies that invest here will help the Thai economy to grow. That is probably true if we look at the interests of only some Thai. But this overlooks the interests of the majority of the people in the country, which includes the laborers, farmers, and people with low incomes. The government is very proud of this economic progress. But the benefits of this will go to the wealthy and make them even richer. These benefits will not reach those who have low incomes or the poor. This will not improve their position at all.

11943

**Foreign Corporations Bid To Build Army Ammunition Plants**  
42070169c Bangkok NAEON NA in Thai  
17 Jun 88 pp 7, 14

[Text] A senior official in the army told NAEON NA that the Ordnance Department's call for bids for the construction of any army ammunition plant generated much

interest among foreign companies. Seven of the 29 companies that were sent bidding forms actually submitted bids. The seven were: 1. the F.N. Company of Belgium; 2. the Frizwerner Company of Germany; 3. the Noringo Company of the People's Republic of China; 4. the Matra Ma Nursin Company of France; 5. the I.C. I. Company of England; 6. the Royal Ordnance Company of England; and 7. the Yugoslav embassy in Thailand.

The Ordnance Department set 15 June as the date for accepting bids. This was announced about 2 months in advance. It was stipulated that officials will visit production plants abroad and that a decision will be reached and a contract signed before the end of fiscal year 1988. Construction is to be completed within 2 years, that is, 1990, so that production can get underway in 1991. The plant will have the capacity to produce 36 million rounds of 5.56-mm ammunition a year for use in the three branches of service and the Police Department. Besides this, the plant will also be capable of producing 7.62-mm ammunition. After producing enough for domestic use, we will also be able to sell ammunition abroad.

The Ordnance Department will begin paying the company that wins the bid after construction is completed and the plant is turned over to the Ordnance Department. The amount owed, which is estimated at approximately 2 billion baht, will be paid within 3 years.

At present, the Armed Forces Industrial Department has a gunpowder plant in Nakhon Sawan Province. The ammunition plant, which will be located in Nakhon Sawan Province, too, will support the plant that produces gunpowder, which Thailand can produce on its own.

The senior army official said that after considering the documents accompanying the bids, the Ordnance Department is interested in five companies: 1. the Noringo Company, which submitted a scale model of the ammunition plant, the ammunition primer plant, and the barracks on a scale of 1:500; 2. the Matra Ma Nursin Company, which has its own ammunition production equipment and which is well-known throughout the world; 3. the I.C.I. Company, which is a joint venture with the American ADEC Company and which built a gunpowder production plant in Thailand in the past; 4. the F.N. Company, which is well-known among the NATO countries for its weapons and ammunition; and 5. the Yugoslav producer, which won a small arms ammunition bid in 1987 with a bid of 1.93 satang [1 satang equals .01 baht] per round. It beat an important competitor, China, which submitted a bid of 1.96 satang per round.

The news source said that at present, at least two of the companies, that is, the F.N. Company and the Matra Ma Nursin Company, have expressed a desire to have the Commercial Associates Company Ltd of Mr Naowarat Phattanodom serve as an advisor. But they have not yet received a response.

### General Saiyut Sees Election as Fraudulent, Money Driven

42070164c Bangkok NAEON in Thai 20 Jun 88 p 3

[Article by Gen Saiyut Koetphon, chairman of the Public Opinion Volunteers and chairman of the Volunteer Observers of the 24 July 1988 Election: "Democratic Circle or Evil Circle?"]

[Excerpts] Last week, I briefly discussed the "democratic circle." I said that in a democratic system, there must be the following circle: holding an election, which leads to forming a parliament, which leads to forming a government, which leads to governing the country, which leads to dissolving parliament and resigning or reaching the end of the term, which leads to holding a new election. Today, I would like to discuss this in greater detail.

There will be an election, but it will not be held in accord with democratic principles. That is, an effort is being made to prevent people from running for election. This is being done using various laws and regulations, which sometimes seem to be quite proper.

For example, it is said that these laws will help enlarge the political parties and make them more secure and reduce the number of parties. But these restrict individual rights. Sometimes, politicians are completely under the power of the party administrators. And in some parties, these administrators are just financiers who are involved in the "business of politics."

Furthermore, the one-power democracy group, or joint democracy system, has proposed that we hold a single-group, or single-party election, claiming that this party will be composed of representatives from the various occupational groups. This is like "making appointments and then holding an election" rather than "holding an election and then making appointments." Thus, this idea is clearly contrary to democratic principles.

Attempts are being made to lull the people using money and gambling and to fool them using various methods. As a result, the people are very confused. Some people think that they will gain, because they will get both money and democracy. But actually, that is not democracy. Because after the people have sold their votes and the MPs have paid, that is the end of their commitment to each other. If people request other benefits or call on them to develop democracy, they don't have to listen.

Although the buying and selling of votes may not be too widespread, because few people are interested in the election, spending money like this is very effective. As a result of this, more and more people become disillusioned, and fewer and fewer people vote. Or if they do, it is because they are forced to do so to show that each locality had a high voter turnout. They do not go voluntarily. When fewer people vote voluntarily, paying

money and using influence becomes even more effective, and the people become even more disillusioned. It becomes easier for those buying votes and using influence to get what they want. The people become even more disillusioned. They become like a small evil circle within the larger circle.

The people elected to parliament represent just a few people. They use their position or power to protect the interests of their friends or to make profits. Besides the fact that this harms the interests of the people, this also creates misunderstanding. People think that democracy creates a system of privileges. They think that democracy is an inefficient system that is meaningless in terms of protecting the interests of the people.

Those who want to do away with the democratic system will take this opportunity to fan the flames and increase the failures so that the people will become completely discouraged. Those who want to destroy democracy will then come into the open, relying on front men to give them permission to stage a coup and seize power from the people. They will do this by relying on the disillusionment of the people. The circle of evil will return while the circle of democracy will disappear.

11943

**Chatchai Comments on Economic Policy,  
Constitution**

42070161b Bangkok LAK THAI in Thai  
23 Jun 88 pp 30, 31

[Interview with Maj Gen Chatchai Chunhawan, the leader of the Thai Nation Party; date and place not specified]

[Excerpts] [Question] In the coming election, the Thai Nation Party is expected to win the most seats and play a leading role in forming the government. What will the party's policies be?

[Answer] We must focus mainly on industry. As for agriculture, we can't increase the amount of land. All that can be done is to encourage the cultivation of crops that will fetch good prices and yield the highest profits. We must turn to industry. That does not mean moving too quickly. We must advance step by step.

Besides this, we must disperse industry to the rural areas. People often misunderstand and think that industrial plants must be large plants employing 2,000 or 3,000 people. But that is not the case. A plant can have 10-20 people. But there must be many plants. I have talked to people in every province about this. If they have money, they should invest in their own province. They shouldn't invest in Bangkok. That is not right. Today, every province has a trade deficit with Bangkok. This is because money from the provinces flows into Bangkok.

It's the same as our trade deficit with Japan. Our money is flowing to Japan. Whenever we want to do something, we have to borrow from Japan. Similarly, the provinces have a deficit with Bangkok. They have to buy more from Bangkok than from within the province. Thus, the money in the province flows to Bangkok. To buy something, they have to borrow from Bangkok. Whenever I visit a province, I tell the provincial chamber of commerce to think about this. Otherwise, nothing can be done. Today, even things such as chopsticks, toothbrushes, and toothpicks are not made in the provinces and have to be purchased from Bangkok.

Thus, it is important that industry be dispersed to the rural areas. The prime minister, too, has taken a firm position on this. For example, today, there is a boom along the eastern seaboard. Northerners are going there to work. This is wrong. We want to increase the number of plants in the northeast so that northerners don't have to move. We want to provide jobs for them in their own region. This is one of the Thai Nation Party's goals.

We feel that the main focus of attention should be on the poor families. Something must be done to increase their incomes and provide them with jobs. We must create jobs for them so that they can earn money.

[Question] Should the constitution be revised?

[Answer] The constitution, election law, and political party law need to be revised. There are several things. For example, some parties have only a party leader and a party secretary general. And sometimes, one person holds both positions. How can such parties be allowed to operate as political parties? Such parties only cause problems. Another matter is holding no-confidence debates. All it takes is one-fifth of the MPs, only 70 votes, to hold a no-confidence debate on the government. The opposition can hold one no-confidence debate after another. This is not right. We have to make it more difficult to hold a no-confidence debate. It should require a greater number of MPs. That would increase political stability. Another issue is the ratio of 1 MP for every 150,000 people. The population is increasing all the time and so the number of MPs increases. But this can't go on. In 10 years, we will have to tear down the parliament building and build a larger one. We should limit the number of MPs to keep the number from growing too large.

[Question] After the election, will the Thai Nation Party take steps to revise the constitution on these matters?

[Answer] I think that someone will propose this. Many factions want to revise the constitution. We have wanted to do this for a long time but have not been able to do so because of the lack of votes. It's difficult to revise this in parliament. But all of us want the constitution revised in

parliament regardless of how great the conflict is in parliament. One person proposes changing Article 1 while someone else wants to revise Article 2. We have to bargain and compromise.

[Question] Is there any chance that the constitution will be revised by a joint resolution of the government parties?

[Answer] We can't do that. We must find a way to revise the constitution. We must continue to make an effort. But talking about being a democracy, our system is now quite democratic as measured by the fact that we hold elections. Regardless of the type of election, I just hope that we continue to hold elections. Another thing that shows that we have a democracy is that we can criticize anything. We can criticize the government without going to jail. This is democracy.

[Question] When you say that the government should consist only of large parties, what you mean is that there shouldn't be any small parties, is that right?

[Answer] That's right. There should be only large parties. A two-party system would be even better. We are now approaching that point. Because the announcement by the prime minister.... That is, we almost have a two-party system now, those that support Prem and those that oppose him, or the government parties and the opposition parties. This is becoming clearer. This is taking shape.

[Question] Do the other government parties agree with your views on revising the constitution?

[Answer] I don't want to talk about other parties. But with respect to the Thai Nation Party, I can say that we want to revise the constitution. But this must be done within the democratic system. It must be done in parliament. We are opposed to doing this using some other method.

[Question] Besides the Thai Nation Party, who else is in favor of revising the constitution?

[Answer] People in general would like to see the constitution revised. You can see this from watching television. Scholars say that it should be revised. And so why haven't we done this?

[Question] Besides Gen Prem, are there any other neutral people who are suited to serving as prime minister?

[Answer] I don't see anyone who is as well suited as Gen Prem.

[Question] What about Gen Chawalit Yongchayut?

[Answer] He should remain in the military.

[Question] Why?

[Answer] Because he is still young.

[Question] Do you think that Gen Chawalit is suited to becoming prime minister in the future?

[Answer] I would rather not comment on that. It depends on whether he wants to become involved in politics. He can remain in the military for several more years. He is only 55 years old.

[Question] How close are relations between Gen Chawalit and the Thai Nation Party?

[Answer] We are close, because the Thai Nation Party is close to the military. Many of us are former soldiers. We were trained to remain united and work as a group.

[Question] People have said that Gen Chawalit is supporting the Thai Nation Party in this election. Is that true?

[Answer] We are close. It's only normal that we try to help each other. We boost each other's morale.

[Question] Why did you once say that you would be willing to have Gen Chawalit take your place as leader of the Thai Nation Party?

[Answer] At that time, he was preparing to resign from the military. I said that in that case, he could join our party and that I would leave, because I am getting old. I am 69. I can't be pigheaded. I don't want to stay until people chase me out. I want to leave on my own. Thus, I would like to find someone younger to replace me. You know how inept old people are. The older we become, the more fearful we become.

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#### Chamlong Comments on Economic, Agriculture Policy Views

42070158f Bangkok NAEON in Thai 2 Jul 88 p 8

[Interview with Maj Gen Chamlong Simuang, the leader of the Phalang Tham Party and the governor of Bangkok Metropolitan, by Rumrun Phunsawat; date and place not specified]

[Excerpts] [Question] What new hope does the Phalang Tham Party offer the people on the economic front? Please be specific.

[Answer] Today, the biggest problem is the huge public debt. In 1988, we will have to spend 59,746 million baht to service the debt. The government must consider matters very carefully before borrowing money. If it wants to take a foreign loan, it must borrow like the business sector. That is, it must make sure that the loan will generate sufficient profits to pay the interest. The budget funds that must be used to service the debt are not development funds.

Last time, you saw what happened, didn't you? I don't know what they were doing. If there isn't enough money, borrow. Because borrowing is one way for the government to close the box. We must avoid this.

[Question] One reason why debt payments are so bunched up now is that the military has borrowed a lot of money, too.

[Answer] That's part of it. But one of the textbook principals is that loans must cover profit and costs. You can't borrow money to solve political problems. If things continue like this, future generations will find themselves in great trouble.

[Question] Does solving the political problems include solving the military problems?

[Answer] All of them. Otherwise, it won't be possible to spend the money earmarked for development on development. The country won't be able to grow. We aren't very strict about this. We must be very strict about borrowing money, regardless of whether we borrow here or abroad. We can't keep doing this.

[Question] If the government doesn't borrow, it will have to collect more in revenues in order to match expenditures.

[Answer] We should borrow only when it is really necessary. We have already borrowed too much. If we do borrow, we must make effective use of the money. We can also reduce expenditures. No one has ever talked about this. Few people talk about cutting back on expenditures. Why don't we take a look at this? Increasing revenues is not the only way for a family or country to grow. You can also reduce expenditures, which is in effect the same as increasing revenues.

[Question] Will you change the policy on the value of the baht?

[Answer] I think that the present policy is fine. This is not an urgent matter that needs attention now. Each adjustment has slowed things down. It has not been beneficial to everyone.

[Question] I would like to ask about agriculture. I listened to what you said when you opened the party's election center. You said that if someone farms 30 rai and loses money, they should try farming only 15 rai and see if they can make a profit. It seems that you are encouraging small farmers and that you are not interested in big farmers.

[Answer] What you said is not correct. It should be understood that in the past, farmers did not have any problems, because they farmed small plots and engaged in mixed agriculture. That is, they grew a variety of crops and were able to support themselves. They didn't have to rely solely on exports. If we follow the lead of the

developed countries and use advanced technology and so on, if we blunder by expecting to be farmers like them and do things on a grand scale, buying large numbers of tractors and huge quantities of fertilizer and insecticides and employing many people, we won't be able to return to the starting point.

We shouldn't stress exports only. No country has a policy of importing or exporting only. No country buys all the time. We have begun to encounter problems concerning exports, right? This problem isn't too serious yet. But if we rely solely on exports and don't rely on ourselves at all, the problem may grow worse and prove impossible to solve.

[Question] But from another standpoint, the fact that farmers are leaving their farms may be a sign that we are becoming an industrialized country. A large number of laborers have moved from the agricultural sector to the industrial sector.

[Answer] That's possible. But we shouldn't focus on one thing only. One thing that is strange about Thailand is that it likes to flock to this and that, forgetting and abandoning the old things. We are fortunate to have much land available for farming. If necessary, we could close the country. But others can't do that, because they rely solely on industry and trade.

[Question] Which economic crops and animals should be promoted and which should be cut back?

[Answer] What has been talked about a lot is rice. An effort is being made to shift from rice to other things, because there is a surplus of rice on the markets. But that is not right. They have been growing rice for hundreds of years. You can't change this in just a few days. The right way is to ask them not to plant the entire area in rice and to use the remaining land to grow other things. We have to explain that this will help keep rice prices from plummeting. That is a better way to handle this. Another thing that hasn't been given much thought is increasing yields per rai. This has been considered but in a competitive manner. For example, rice is planted two or three times a year without knowing how much that will increase costs or whether that makes sense economically. We must promote increasing yields per rai much more than during the past 20 years. We have not done much to promote this.

[Question] Do you think that the form of the state enterprises should be changed?

[Answer] There are several things that need to be considered. For example, what are we going to do with the workers at these enterprises? Are we sure that those who take over these enterprises will be able to employ all these laborers. A large number of people work here, and this could affect their livelihood.

[Question] Some of the state enterprise workers are said to be parasites.

[Answer] If that's true, that's no problem. There are only a few like that. We have to look at certain problems. It's like the fishing tax. This has become a political problem. The government must be secure so that it can consider matters correctly without having to fear something.

[Question] Which needs to be changed first, the Bangkok Mass Transit Authority, the State Railway of Thailand, or the lottery?

[Answer] The government wants to change those that are not making a profit. But we need to think about things in general. If the private sector can handle something, the government doesn't need to get involved. If possible, we can gradually allow them to take over. That would benefit everyone more. And the workers themselves might benefit more from this than working for a state enterprise, because the private sector is more efficient at managing things.

[Question] Do you think that the minimum wage should be raised?

[Answer] It is clear that the economy in general is quite good. But things are not good for those at the bottom. The poor have become poorer while the rich have grown richer. I remember a neutral phrase, that is, revenue dispersement.

In talking about wages, we can't talk only about the minimum wage. We must also talk about how well people are getting along. We have to consider everything and think about how to ensure that more of the profits reach the workers in order to improve their standard of living. We must watch things to ensure that the laborers are not exploited.

[Question] What about social insurance?

[Answer] We have to make sure that we do the right thing. A mistake could be disastrous. Other countries are having problems. There are many selfish people. Why should they work? They are better off without a job. At the appointed time, they go get some money from the state.

Before we promulgate a social insurance law, we should take a close look at the benefits of workers. I support increasing the benefits provided to workers through the sacrifices of the enterprises. This exists in Thai society. It isn't necessary to legislate everything. They should take pride in the fact that they are helping society and not exploiting people. In Bangkok Metropolitan, we monitor things and provide life insurance. We have established a fund to help low-ranking officials.

[Question] What about your policy on industry?

[Answer] It's quite clear. Our industry should be tied to agriculture.

[Question] Should the products produced from our natural gas be used to help build up industry?

[Answer] This gas will eventually be depleted.

[Question] There is more than 1 billion cubic feet.

[Answer] Should we use this up now without saving any for future generations? Has any thought been given to those countries that are richer than we are but that have not exploited this resource? If it is under the ground, it belongs to us. It will be there for future generations. The United States and China are examples. Otherwise, they would drill all they wanted. It's not like agricultural products.

We don't have the technology to match the agricultural picture that we have painted. That is, if we do things on a grand scale, we might find ourselves even deeper in debt. If you aren't ready, you shouldn't jump in. We have many fields. Why are we so intent on industrializing?

[Question] The financial institutions have been a problem for a long time. What should be done if more go bankrupt?

[Answer] Officials are very strict today. I don't think that they will allow any more to fail. The government won't do that. Last time, the businessmen thought only about making more and more money. I don't think that those responsible, regardless of whether it is the Ministry of Finance or the national bank, will allow that to happen again.

[Question] Are you interested in crop insurance?

[Answer] Every party has a policy on this. People must look at the details, because sometimes people promise the impossible. We must see how much the producers are getting per kwian [1 kwian equals 2,000 liters]. Units of Bangkok Metropolitan are already involved in this. We monitor things in the fields and know how much they are selling their rice for. We know how much the consumers are paying for their rice. The state must play a part in supervising things. People can't simply say that if they are elected, they will pay 5,000 baht per kwian.

[Question] You have to look at the markets and the market apparatus.

[Answer] That's right. Otherwise, you could affect everything. You have to think about what is fair. Bangkok Metropolitan, for example, is doing various things. For example, if farmers don't have barns and their rice gets wet, they can't sell it for a good price. We have prepared fields to dry the rice and store their rice during periods when rice prices are rising. I have been a member of and

served as the secretary of the Rice Committee ever since I was the secretary general of the prime minister in 1980. I know a lot about this. Rice pledges should continue.

[Question] Should quotas and premiums be abolished? Recently, some people have thought about proposing that these be applied to cassava.

[Answer] Quotas should have been abolished a long time ago. The same is true of premiums. Instead of benefiting the farmers, this has benefited the financiers and middlemen by helping them to reduce their costs.

[Question] What about discharging the debts owed by the farmers? Some people have suggested that the government allocate 30-40 billion baht to pay off the debts of the farmers.

[Answer] Others are in debt, too. That means that we should pay off everyone's debts. Where will the money to do this come from? People can talk like that in an effort to win votes. But when the time comes to actually do this, they won't be able to. People will laugh.

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**Eight Assistant Directors Promoted**  
42070154c Bangkok NAEON in Thai  
7 Jun 88 pp 1, 20

[Text] A high-level official at Supreme Command Headquarters said that on 16 May, Gen Chawalit Yongchayut, the RTA CINC and acting supreme commander, authorized raising the ranks of eight assistant directors at Supreme Command Headquarters. They will be promoted from colonel, or group captain or (naval) captain, to major general, or air vice marshal or rear admiral. This was then submitted to Air Chief Marshal Phaniang Kantarat, the minister of defense, who approved this, too.

The eight assistant directors who have been promoted are Col Chun Atiphaet, the assistant comptroller general; Col Atsarom Suaphaithun, the assistant director of joint personnel; Wing Commander Sakon Chanthamat, the assistant director of joint intelligence; Col Itthiphon Sangkhwali, the assistant director of joint operations; Cpt Somphon Sumanan, the assistant director of joint logistics; Cpt Chatuphon Thetsaprathip, the assistant director of joint communications; Wing Commander Suchin Fufung, the assistant adjutant general; and Col Suchat Chulacharik, the assistant director of the Joint Research and Development Center.

A news source said that the minister of defense has submitted the names of these eight officers to the king for approval.

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**Major Thai Nation Financier Quits Party, Clients Noted**

42070152a Bangkok MATICHON SUT SAPDA in Thai  
12 Jun 88 pp 7, 8

[Article by Charan Phongchin: "Sia Yae Quits Thai Nation Party; Last Political Friend or Will Banhan Split Away?"]

[Text] Mr Somchai Rukworarak, or Sia Yae as he is known, a well-known man from Wiset Chaichan District in Ang Thong Province, announced that he was resigning from the executive committee of the Thai Nation Party and leaving the party. He officially submitted his resignation on 2 June after "putting up with things" for a long time.

As for why he decided to leave the party, Sia Yae said that "during the 9 years that I have been a member of the Thai Nation Party, I have stood firm and worked to the best of my ability along with other party members to build the Thai Nation Party. But now, the Thai Nation Party has changed in several ways that are contrary to my ideals and the feelings that I once had for the party. I have the feeling that my views are contrary to those of certain key members of the executive committee.

"Another thing is that in this election campaign, many of my close friends and associates have split away and joined other parties. I have to admit that based on my close relationship with them, I can't refuse to help them if they ask for my help. But I definitely couldn't do that if I still belonged to the Thai Nation Party. That would be a breach of political etiquette. For these two reasons, I have decided to resign from the executive committee and leave the party."

However, he also said that even though he has left the Thai Nation Party, he does not plan to join another party, although he has been approached by several other parties. He said that he had to leave because the standpoint of the senior people in the party had changed. Initially, he had intended to resign 2 days after parliament was dissolved. But he held back because he was afraid that this would affect the party. He wanted to maintain the party's image. Thus, he waited to resign until the party had announced its candidates.

When he was asked whether the group of former MPs and candidates that he supports totals 20 people, Mr Somchai said the number is larger than that. But he refused to reveal the actual number.

**Who Is Sia Yae To Have Outgrown the Thai Nation Party?**

Sia Yae, or Somchai Rukworarak, is from Chao Rongthong Subdistrict, Wiset Chaichan District, Ang Thong Province. He is the son of Mr Ngekchua Saekhwo and Mrs Heng Saekhwo. He was born on 7 November 1937.

His childhood was quite difficult. He began school in 1945 at the Wat Nang Nai School, where he completed Grade 4. He then had to quit school because his family was so poor.

After dropping out of school, he went to work with his father fixing bicycles in Wiset Chaichan City. But when he was 17 years old, just as the business was beginning to prosper, his father died, leaving him to carry on the business alone.

He put up with the hardships and worked hard for many years. By 1964, his bicycle repair business was thriving. He used some of the money that he had earned to start a construction contracting business. It was the construction business that turned Sia Yae into a wealthy man. His reputation spread until he was known everywhere in Ang Thong Province. Later on, he expanded his business operations throughout Ang Thong Province. This included sawmills and other businesses.

In 1985, Sia Yae expanded his sawmill and construction operations to neighboring provinces, including Lopburi, Chaiyaphum, Chainat, and several other provinces. Because of his reputation, the government asked him to serve on the Chaiyaphum provincial Joint Public-Private Committee To Solve the Economic Problems.

After his business activities had expanded greatly, Sia Yae became involved in politics. He became a financial backer of the Thai Nation Party in 1979 and fielded candidates in Ang Thong Province. They won election in 1979, 1983, and 1986. He also began backing candidates in several other provinces. Finally, the Thai Nation Party invited him to serve on the party executive committee. His job was to select candidates in Ang Thong and neighboring provinces. He was one of the big financial backers of the Thai Nation Party.

#### **Politics in Ang Thong Is Vicious, Suddenly Lost Reputation**

Before he became a supporter of the Thai Nation Party, in the election of 1976 he supported an SAP [Social Action Party] candidate, Mr Kamon Samoemuan, who was elected. But later on, they split apart because of a conflict concerning the construction business. Mr Somchai Rukworarak announced that he would have nothing more to do with Mr Kamon.

During the period that the two men were involved in this argument, someone tried to assassinate Mr Kamon. This happened on 23 November 1984 as Mr Kamon was driving away from his home near the Chao Rong Thong municipal market. A group of gunmen shot at Mr Kamon and the people with him. Mr Kamon was hit four times but survived.

The police could find no evidence that Sia Yae was involved in this. They concluded that a third party had

picked this time to kill Mr Kamon because of the conflict between Sia Yae and Mr Kamon. But the attempt on the life of this former MP from Ang Thong damaged the reputation of Sia Yae.

#### **MPs in Sia Yae's Party, No Such Word as "Restraint"**

Sia Yae has never been able to run for parliament himself because he does not have the education required. Thus, he serves as a financial backer during campaigns, and candidates rely on his reputation. If a candidate announces that Sia Yae supports him, he stands an excellent chance of winning the election.

There are at least 20 former MPs who belong to the Thai Nation Party and other parties whom Sia Yae has helped. These include Mr Somsak Prisanananthakun and Mr Niphon Wisityutthasat, Thai Nation Party MPs from Ang Thong Province; Mr Pracha Bunyanet and Mr Pricha Rengsamunsuk, United Democracy Party MPs from Loei Province; and Mr Aram Lowira and Mr Chawalit Mahachan, Thai Nation Party MPs from Chaiyaphum Province.

Few of those who have used the "Sia Yae" label and run for election in Ang Thong and nearby provinces have been disappointed, because they have had access to an unlimited amount of financial support. In areas where the competition has much money and a good reputation, Sia Yae pours in money without restraint.

Not only has Sia Yae supported candidates but he has been an important financier for the Thai Nation Party. He has given the party just as much money as Mr Banhan Silapa-acha, Maj Gen Chatchai Chunhawan, and Mr Pramuan Saphawasu, the three "tigers" of the Thai Nation Party.

A news source told MATICHON SUT SAPDA that since Sia Yae first began supporting the Thai Nation Party 9 years ago, he has given the party and various candidates at least 50 million baht.

"He spent the most money during the 1986 general election, because he was responsible for several provinces. He donated at least 12 million baht to help Thai Nation Party candidates, and he gave the party another 5 million baht. After the Thai Nation Party joined the government coalition, while others were given ministerial portfolios and had a chance to make money, Sia Yae gave money. He donated money to help candidates in the by-election and to help pay for the internal activities of the Thai Nation Party. Besides that, he also helped candidates from other parties. During that period, he spent a total of at least 21 million baht," said the news source.

#### **The Coming Election, Had Made Preparations**

Even though the Thai Nation Party was a member of the Prem 5 administration and controlled many important ministries, Sia Yae, one of the party's financiers, did not

have a chance to wield administrative power. Even so, no one thought that he would quit the Thai Nation Party. Even after Gen Prem Tinsulanon, the prime minister, dissolved parliament, Sia Yae made preparations to support the 20 MPs whom he had supported previously.

A news source in the Thai Nation Party said that besides these 20 candidates or former MPs, Sia Yae was also preparing to expand his political prestige by contacting a team in Nakhon Sawan, that is, the team of Mr Sawat Khamprakop, Mr Prathuang Khamprakop, and Mr Wirakon Khamprakop, and having them run for election there in the name of the Thai Nation Party. But then this conflict arose. He quit, and the "Nakhon Sawan team" joined the Ruam Thai Party.

Now that Sia Yae has officially announced his resignation from the Thai Nation Party, it should come as no surprise that other political parties have contacted him and asked him to support their party. The Puangchon Chao Thai Party of Gen Athit Kamlangek has contacted him and asked him to support the party. But he refused, agreeing only to support Mr Pracha Bunyanet, a man whom he had supported in the past, who is running together with Gen Athit Kamlangek in the name of the Puangchon Chao Thai Party.

"Recently, Mr Wira Musikaphong, who is very close to Sia Yae, asked him to help the Prachachon Party instead of the Thai Nation Party. But Sia Yae refused, just as he had refused Gen Athit and Col Narong Kittikhachon, who belongs to the Liberal Party," said the news source.

#### **Reason for Leaving the Thai Nation Party, Conflict With Banhan**

Mr Somchai Rukworarak said that he was resigning from the party because of "conflicts over ideals and certain feelings" and because he wanted to help friends who were running for election. But actually, there was a great conflict between Sia Yae and certain members of the Thai Nation Party's executive committee, including Maj Gen Chatchai Chunhawan, the party leader, who has not viewed Sia Yae as being very important. He has also had conflicts with Mr Pramuan Saphawasu and Mr Banhan Silapa-acha, the secretary general of the party. There has been a conflict ever since the party joined the Prem 5 administration. The conflict stemmed from the fact that it was Chatchai, Banhan, and Pramuan who made the decision on which party members would get portfolios in the Prem 5 government. Even though some of Sia Yae's men should have received portfolios, not one of them was given a portfolio. Because he was one of the party's important financial backers, some of his men should have been given portfolios, but they were blocked by these three men.

The conflict between Sia Yae and Banhan concerned the construction of the Wiphawadi Rangsit Highway. One felt that the highway should be rebuilt, but the other disagreed. Thus, the antagonism between them grew, and no one could get them to compromise.

#### **Sia Yae Quits, Watch for Splits Within the Thai Nation Party**

Regarding the coming election on 24 July, those in political circles expected the Thai Nation Party to come in first. They expected the party to win at least 100 seats in parliament. This prediction stemmed in part from the strength of 20 candidates loyal to Sia Yae. But when he announced his resignation from the party, the situation within the Thai Nation Party changed immediately. There is a strong possibility that these MPs will quit the party and join some other party approved by their supporter, Sia Yae. Thus, the Thai Nation Party is now weaker.

Sia Yae is not the only person who has quit the party. Other party executives are preparing to leave the Thai Nation Party. There are several people who are in the same position as Sia Yae and who consider their role in the party to be that of a "stepchild." These include Mr Thawit Klinprathum, who has been stifled in the Thai Nation Party, and several other former MPs. Not only has Mr Thawit not risen in the party hierarchy but people in the Thai Nation Party have tried to destroy his business. Most recently, there was the matter of the port crane. Mr Thawit lost several tens of millions of baht because of the party. Now that Sia Yae, to whom Mr Thawit is close, has left the Thai Nation Party, Mr Thawit will certainly resign from the party, too.

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#### **Politics Said To Underlie Creation of Army Corps Commands**

*42070169b Bangkok KHAO PHISET in Thai  
3-9 Aug 88 pp 25, 26*

[Excerpt] Secret! Army Increases Number of Lieutenant General Slots

A reliable news report from the Ministry of Defense informed KHAO PHISET that the Ministry of Defense recently gave the army permission in principle to establish corps commands in order to make preparations for times of war.

The report stated that the position of corps commander will be a position for a lieutenant general. The army is now considering whether to establish corps in fiscal year 1989, which begins in October 1988, and how many corps to establish. However, it is very likely that this will be done this year.

KHAO PHISET asked Lt Gen Panya Sinsakda, the assistant army chief of staff for operations, about this matter. He replied that the Ministry of Defense has given permission in principle. The army is now considering when to establish the corps. The earliest would be fiscal year 1989. When corps are established, there must be corps commanders.

### Why Are Corps Needed?

An army general told KHAO PHISET that the main reason for establishing corps is to keep the army in a state of readiness. We cannot become careless, because Thailand faces dangers on all its borders, particularly along its eastern border. Sometimes, it is inappropriate to use such a large force as an army region when fighting breaks out. Thus, we must combine units in the operations line. Or to state it differently, a corps is a tactical command.

This same officer also said that actually, there is nothing strange about establishing corps. Developed countries such as the United States have corps, which can be called small armies. In times of war these function as tactical commands. Sometimes, besides having corps, if there is a major war, an army may not be enough and so it may be necessary to establish a bigger unit known as an army group. This depends on the situation and the needs.

As for assigning forces to the corps to be established by the army, an officer concerned said that we will not use the U.S. army as a model. We will establish a "Thai-style corps." Our corps will be flexible in nature. Our corps may be composed of local combat units at the regimental and battalion levels. Or they may be composed of regimental combat teams or brigades. "We will do this based on our preferences in a Thai way. We won't ape others," said this officer.

### Expected That Two Corps Will Be Formed, Rumor Has It That Big Mong Will Command One of the Corps

A news source in the Ministry of Defense informed KHAO PHISET that the army will form corps based on the state of readiness and as necessary. In fiscal year 1989, which begins this October, it is thought that the army will establish two corps in the 1st and 2d army regions, which must confront more serious threats than the other army regions. That is, they are responsible for the dangers along the eastern border.

If two corps are established, that means that there will be two more lieutenant general slots regardless of whether these corps have a full complement of men or have just the "structure" of a unit. Besides this, even though the corps commanders will enjoy less prestige than the army region commanders, the importance of the army region commanders will decline somewhat.

There have been unconfirmed reports that if corps are established and this is not postponed until next year, one likely candidate for the position of corps commander is Maj Gen Mongkhon Amphonphisit, or Big Mong, the commander of the 9th Division, who is close to both Gen Prem Tinsulanon, the former prime minister, and Gen Chawalit Yongchayut, Big Chiu, the RTA CINC.

Maj Gen Mongkhon is a member of CRMA [Chulachomklao Royal Military Academy] Class 9. It is thought that he will be transferred to another position at the same level in this year's military reshuffle, that is, from commander of the 9th Division to commander of the 1st King's Guard Division in Bangkok, or appointed deputy commander of one of the army regions. Or if his luck is very good, he may be promoted to lieutenant general and appointed corps commander. Some news sources believe that he will be appointed corps commander. They have said that even though Big Mong does not have sufficient seniority based on his age, class, and time in position—he was appointed commander of the 9th Division in October 1987 (from 1984 to 1987, he served as a major general assigned to the Office of the Under Secretary of Defense and served as an aide to the prime minister)—he has sufficient time in grade. Besides this, the 9th Division, which Big Mong now commands, is a very modern division. But a very important factor that cannot be overlooked is Big Mong's "inside forces." That should easily improve his "luck."

That is one line of thought. Another is that the matter of Big Mong "getting lucky" is just a rumor.

### Corps Commander, Whose Need?

Even though people at the policy level of the army have admitted that the idea of a corps command arose because of the need to develop the army and keep it at a high level of readiness, there is much opposition to this idea and policy.

Those who oppose this say that in the past, new army units were formed in order to provide "positions" for people. The army has not been able to provide these units with a full complement of men or with the weapons and equipment stipulated. One example is the formation of the Artillery Division in Lopburi during the time that Gen Athit Kamlangkak was RTA CINC. There was criticism that this unit was formed in order to increase the number of slots for generals. Up to the present, the army has not been able to provide this unit with a full complement of men and materials.

In response to this criticism, those who support forming these new units say that it is not necessary for these units to be up to strength the day that they are formed. The RTA is not rich. It does not have enough money to do everything at once.

Regardless of which side is correct, the "corps" issue is something that should be watched. That is, is this something admirable in the army's policy line or is this just something that is intended to satisfy people in the army or country?

**Editorial Cites 'Rumor' on Army Vote-Buying**  
42070167c Bangkok SIAM RAT in Thai 28 Jul 88 p 8

[Editorial: "Something Unbelievable"]

[Excerpt] There are rumors that certain military groups used their influence during the recent election, which benefited certain political parties and hurt others. In particular, certain parties fielded candidates in certain localities and were sure that their candidates would win. They were shocked when their candidates lost. It is said that this happened in several southern provinces. Usually, the people there play politics forthrightly. But in this election, they had to give up their independence because of the heavy "vote buying." It is feared that they will not vote in future elections unless they are paid to go vote.

It is feared that in the future, vote buying will become an important tool in winning an election. If that happens, the MPs will no longer be representatives of the people.

It is also rumored that these military groups fear that the political parties will grow too rapidly and so they have done everything possible to block them and prevent them from winning too many seats. If a party seems on the way to winning a majority of the seats, which would enable it to form a government, these military groups will support the opposition parties in order to prevent this.

The rumor is that the military groups formulated this plan because they are afraid that if they allow political parties to develop and grow in accord with the democratic system, that will affect Thailand's security. That is because in each of the parties, there are influential Thai of other ethnic backgrounds. If these parties are allowed to gain too much power, that will enable these Thai of impure ancestry to control the country. Thus, these military groups, which represent Thai of pure ancestry, must take action both directly and indirectly to block the growth of the political parties.

As stated above, this is just a rumor. No one has confirmed this. Thus, we don't place any credence in this. Furthermore, the RTA CINC told student representatives that the army has never interfered in politics. Thus, we are sure that there is no truth whatsoever to this rumor.

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**Energy Policy Chief Views Future Electricity Problems**  
42070167a Bangkok NAEON in Thai 23 Jul 88 p 7

[Excerpt] In his capacity as chairman of the Energy Policy Subcommittee, Flying Officer Suli Mahasanthana, the minister attached to the Office of the Prime Minister, disclosed that at a subcommittee meeting on 21 July, a resolution was passed to review the forecasts on electricity use in the sixth, seventh, and eighth National Economic and Social Development Plans based on the rapid growth of the economy. Based on the

new forecasts, it is expected that by the end of the Eighth Development Plan in the year 2000, electricity needs will increase to 14,500 megawatts, which is 2,970 megawatts greater than originally predicted. As a result, investments by the Electricity Generating Authority of Thailand (EGAT) could increase to 100 billion baht.

During the first 6 months of this year, electricity use increased 15 percent as compared with the same period last year. There could be a crisis by 1990-1991, or the end of the Sixth Development Plan. Thus, during the period of the Sixth Plan, it is urgent that we increase our electricity generating capacity by approximately 950 megawatts. EGAT must formulate a new development and investment plan. Besides this, to solve this problem, we must also look at other factors, including the development and use of natural gas and the procurement of bunker oil for the production of electricity. We must also obtain loans for investment. In case we have to borrow money from abroad, the Ministry of Finance will have to consider raising the foreign loan ceiling.

At the same time, we must formulate plans and projects to use electricity in an efficient and economical manner. Because if we don't take steps to solve these problems, when a crisis occurs, there might be a blackout.

By the end of this year, it is expected that electricity use will reach approximately 5,440 megawatts. This is expected to increase to 7,440 megawatts in 1991, approximately 11,000 megawatts in 1996, and approximately 14,500 megawatts in the year 2000.

EGAT now has an installed generating capacity of approximately 6,890 megawatts. Of this, 6,200 megawatts is reliable capacity. During the past period of peak electricity use, consumption reached 5,300 megawatts, leaving a reserve capacity of approximately 800 megawatts, or 15 percent.

As for adjusting electricity rates based on use periods and allowing the private sector to participate in generating electricity, this is now under study and criteria are being stipulated.

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**Police Seek To Conceal Anti-Monarchy Activists**  
42070158c Bangkok MATICHON in Thai  
8 Jul 88 pp 1, 19

[Excerpt] A report from the Police Department stated that at 1100 hours on 7 July, Police Gen Phao Sarasin, the director-general of the Police Department, asked Police Lt Gen Manat Khrutchaiyan, the commissioner of the Metropolitan Police, to come to his office in order to give him a report on the security problems within the country. Metropolitan police had arrested some suspects carrying leaflets attacking the monarchy.

The report stated that around 2100 hours on 3 July during the Ratchamangkhalaphisek ceremony at Sanam Luang, Police Maj Gen Thip Atsawarak, the deputy commissioner of the Metropolitan Police, who is responsible for security, sent detectives to Sanam Luang to prevent anyone from disrupting the ceremony and protect the people who had come to Sanam Luang. While the detectives were inspecting the Tha Phra Chan area near Wat Mahathat and Thammasat University, they encountered three men approximately 30 years of age. When the men saw the police, they acted strangely and so the police asked to search them. The three men tried to flee but were caught. The police also seized three paper bags. Inside the bags, they found approximately 1,000 mimeographed leaflets. The leaflets, which were quite sloppy in appearance, attacked the monarchy and urged the people to change the administrative system to a socialist system.

The news report stated that after that, Police Lt Gen Manat, Police Maj Gen Thip, and Police Col Rochana Nacharoen, the superintendent of Metropolitan Police Precinct 2, interrogated the three suspects and detained them at the Metropolitan Police School in Bang Khen. They were not sent to the Chana Songkhram Police Station, the police station in the area where this took place, because they wanted to conceal the matter.

During the interrogation, the three men were identified as Mr Montri, Mr Sanit, and Mr Ra. They confessed to the charges, because they had been caught with the evidence. They said that they had frequently talked about politics and that they did not like the present administrative system. They prepared these leaflets for distribution in the Sanam Luang area. They had printed the leaflets at a printing house in the Bang Krabu area. They refused to provide any further details. They insisted that they were the only people involved. Police officials contacted printing houses in the Bang Krabu area, which is where the suspects said they had printed the leaflets, but they did not find this printing house. One group of officials went to the native homes of the three suspects in the northeastern and central regions. They learned that the three suspects had not been back in a long time.

As for the backgrounds of the three suspects, the report stated that Mr Ra had once served 7 years in prison for committing lese majesty. He had been released in 1986. His views were more fanatical than those of the other suspects. Mr Sanit had completed Grade 4. Mr Montri once worked as a teacher at a school in the provinces. He was better educated than the other two. All three said that they had been interested in politics for a long time. They came from different provinces but had been friends for many years. They refused to reveal their occupations. They said that they had stayed with friends in Bangkok.

A reporter reported that the police have been investigating this since 3 July and that the investigation has almost been completed. The file will soon be sent to the prosecutor, who will bring the case to trial, because there is conclusive evidence against the suspects.

**Scholars Decry Centralization of Power in Economic Elite Hands**

42070163c Bangkok SIAM RAT in Thai  
14 Jul 88 pp 1, 16

[Excerpts] At 1600 hours on 13 July at the Arts and Culture Hall (small hall) at Thammasat University, a debate was held as part of the Moral Democracy Program. This was the 3d day. The debate was on the topic "Problems of the Capitalist Economic System and the Development of Democracy." Those participating in the debate included Professor Likhit Thirasekin, a professor in the Department of Political Science; Dr Kraisak Chunhawan, a professor at Kasetsat University; and Associate Professor Methi Krongkaeo, a professor in the Faculty of Economics at Thammasat University. Associate Professor Worakon Samkosit served as moderator during the debate.

Dr Kraisak said that in his view, the capitalist economic system refers to a system of capitalist classes that control state power, the power to make economic decisions, and the means of production. Thailand's present economic system is a system of capital accumulation. Thus, what is desired most in this system is to profit by putting pressure on the price of goods.

Dr Kraisak said that ever since the student center was destroyed, the politics of the Thai people, particularly Bangkokians, has been controlled by the right wing. It was these people who surrounded Thammasat University on 6 October. The state's power center is the bureaucracy. The state has constantly tried to create a culture of yielding. It has not fostered democratic ideals. Thus, the government officials have great bargaining power with the political parties. These things pose an obstacle to the development of a democratic system.

Dr Methi said that the relationship between capitalism and the development of democracy can be divided into four parts: 1. In a capitalist system, revenue dispersement is unequal, because it stresses a system in which those with greater opportunities get more. And people do not have equal opportunities. This type of thing happens in the developing countries only. He calls this the system of "sharing favors." 2. When a small number of people have great economic power, they will do everything possible to maintain their position using political, economic, and social power. Today, these people have enough power to implement such policies in order to maintain their power. 3. Once these people are secure in their positions, it becomes impossible to build equality in society. 4. If the majority of the people in society are treated unfairly like this, democracy can't develop, because the representatives of the classes can't govern the country on behalf of their class.

**Investment Board Chief on Policy Weaknesses**  
42070155 Bangkok KHAO PHISET in Thai  
13-19 Jul 88 pp 40-43

[Interview with Chira Phanuphong, secretary general of the Board of Investment; date and place not specified]

[Excerpt] Note: Today, Thailand's reputation concerning investments is very bright, because we have succeeded in attracting more foreign investors to Thailand than ever before. As a result, the role of the Board of Investment [BOI] has gained much attention. Today, at a time when investments in Thailand are increasing, there are questions about the importance of the BOI. Moreover, both during and after the discussions on the petrochemical project, Phase 2, the managers of the BOI and organizations came under heavy attack. Mr Chira Phanuphong, the secretary general of the BOI during the period of prosperity, talked with KHAO PHISET about the present situation and the problems involved in promoting investment in Thailand.

[Question] In view of the success that we have had in promoting investment here, will the number of measures used to promote investment be reduced?

[Answer] Yes. The BOI is now considering this. I think that we must continue to promote investments, but benefits might be adjusted. However, we must be careful that we don't do anything to drive away investors. Thailand still needs more investors. We must consider this when setting conditions for those receiving promotion.

One of our neighbors provides a good example. But I don't want to mention the name of that country. They set conditions in order to restrict investment. The result was that all the investors left. Thus, we must move slowly. We can't change things quickly whenever we want. Some people say that investors are like birds and we are a tree. Birds can choose to sit on any tree they want.

[Question] Some people have suggested that at a time when investment here is thriving, there is no need to have a BOI. What do you think about this?

[Answer] I think that this should be considered very carefully. People should consider whether this "prosperity" will last forever. Foreigners are now beginning to see some of our problems concerning various facilities, such as the shortage of ports and electricity and the lack of land to build factories. There is also the matter of taxes on industries that produce goods for export. Recently, there have been reports that some large companies have begun investing in other countries instead of Thailand. If this feeling continues to grow, they will invest in other countries more and more. Thus, we must be very careful in order to maintain the feeling that "Thailand is a good place in which to invest." This will help solve the unemployment problem and increase the incomes of workers. Because by comparison, the annual

per capita income of the Thai people is still very low. It is less than half that of Malaysia and less than one-eighth that of Singapore. We still need investment, but are our measures appropriate?

[Question] Recently, the prime minister said that we must review investment promotion so that the state can obtain more money for national development. What is your view on this?

[Answer] What the prime minister probably meant was that investment promotion must rely less on giving tax breaks and instead concentrate on measures to publicize inducements or provide more services and support. The BOI is already doing this. But to increase advertisements or increase the number and quality of services provided requires additional personnel and budget funds. This is like the Tourist Authority of Thailand, which had to spend time readying skilled people. In short, to promote investments, we are using three measures. We are granting benefits as an inducement, providing various services, and publicizing inducements. Initially, we relied mainly on granting benefits. We are still doing this. But the number of benefits has been reduced, particularly in Bangkok. Besides this, the area comprising Bangkok will be expanded. However, the number of benefits granted to Bangkok and Samut Prakan have already been reduced. If we reduce the number any further, this might cause investors to change their mind about coming to Thailand, because other countries are trying to attract foreign investors, too.

[Question] At present, are there enough people to handle the increased amount of work?

[Answer] Yes. The amount of work has tripled. We have tried to use the existing manpower to handle the increased workload. We have found some people, and this will help improve our work. But we don't have enough people to carry out all the work that needs to be done. We will have to ask for support. In many cases, we have to coordinate things with other government units or request help from abroad. Many of our new people have just graduated from the university. It will take them time to learn their jobs and gain experience. As for policies or project analysis, we must rely on knowledgeable people and the cooperation of other institutes. In the past, we have received good cooperation in mobilizing ideas. We have just begun to ask for help from abroad.

Some people have said that in requesting investment promotion, things have not been as convenient as they should have been or money has not been spent. I would like to take this opportunity to say that because the workload is so heavy, there may be instances when a matter is not handled in a timely manner. There are many reasons for this. The BOI is trying to make adjustments in order to reduce the number of steps. And we are trying to improve the work methods. But this also depends on how much cooperation we receive from

those who have asked for investment promotion. They must have the necessary documents. If they have prepared things well, their request will be considered more quickly.

I would like to say that if people who have received investment promotion have a problem, they should inform one of the managers, including myself, the deputy or assistant secretary general, or someone else. We will be glad to help solve the problem. Our door is open. If a BOI official does not conduct himself properly, they should inform us.

Sometimes, we are contacted by an agent or even a company official. Sometimes there are shortcomings, or there is criticism that things are slow or that they have to pay other expenses. We have seen this in many cases. When there is a deadlock, it is usually the middleman who is criticized. I don't think it does any good to criticize things in general without focusing on specifics. I would like to ask people to cooperate. It is certainly not the BOI's policy to create such problems. If a problem arises, people should tell us so that we can help solve the problem.

I am organizing a seminar on this and disseminating documents to inform administrators and the owners of companies about the various regulations and steps and the criteria used in considering things in order to enable the companies to ready documents and to foster better understanding. I would like to stress that requests for investment promotion will be considered within 2 months. If something is inadvertently overlooked, people should inform us. In cases involving a tax exemption on raw materials, the matter will be settled within 3 days. As for requesting a tax exemption on machinery, the matter will be settled with 7 days. But the companies must have prepared their explanation and the necessary documents. In many cases, we complete things ahead of schedule. But no one talks about the cases in which the BOI has handled things well and in a timely manner. However, whenever a mistake is made, for which there is usually a reason, there is always a lot of talk.

[Question] What is the problem with respect to middlemen or agents?

[Answer] It's like this. Some people work as hired agents. Some owners think that this is more convenient than having to make contact themselves, or they have the mistaken idea that this is difficult. Thus, these people offer various services such as writing requests. Or they claim to know this or that person who can help pull strings. The fact is, there are steps that must be adhered to in considering a project for investment promotion. It must be considered at various levels before it reaches the subcommittee and committee, which are composed of representatives from several units. In general, the decision is not up to BOI officials. In some cases, company officials are not able to explain things or provide the data needed to consider the project. But they put the blame on

officials. For example, today there are Taiwanese consulting companies that help fill out the forms. Actually, we will help fill out these forms for free. The BOI has officials who can help fill out the sections in both the Thai language and the foreign language. It doesn't cost anything to contact us. These Taiwanese consulting companies have sprung up, because many Taiwanese want to invest in Thailand and they don't know much about us. There is nothing wrong with people helping to arrange things. But sometimes, irresponsible people claim that they must pay for other things besides direct service charges.

As for our officials, if there is evidence that they have acted improperly, we investigate and punish them in accord with the regulations. But there must be clear evidence. I would like to ask everyone for their cooperation on this.

[Question] In considering large-scale projects, the BOI and you risk criticism, because investment promotion involves granting rights and benefits. What do you think about this?

[Answer] There has never been such a large-scale project in which there was so much competition as the NPC 2 (petrochemical 2) Project. This project came into being without considering and stipulating clear selection criteria in advance. The master plan stipulated only what the products would be, the needs of the markets, and the production capacity that should be promoted. Moreover, it was stipulated that this should be considered within 60 days, and more than 60 projects were submitted for consideration. I used officials whom I thought had sufficient capabilities and a basic knowledge to help consider the projects and data and prepare a report in time. I asked the Thai and foreign investors to come explain the projects and point out the strengths and outstanding features of the projects. We managed to finish things in time. The master plan of the petrochemical project served as the line for measuring things and making recommendations to the committee. One of the principles of the BOI is that after a project has been implemented, its production costs should be as low as possible. We knew that the projects in the NPC 2 Project would produce products that other industries could use as raw materials to produce export goods. Thus, the projects selected had to be projects with the lowest production costs. We also looked at the experience of those who had requested investment promotion, because not everyone is capable of implementing a large-scale project. There must be manpower and resources. And if the domestic market is different than predicted, you have to be able to export products, too.

After we finished considering the matter and submitted it to the Investment Promotion Committee, which is chaired by the prime minister, the committee felt that there was not enough time to study the matter. It felt that this was a large and complex project and so it established

a screening committee to consider the stages. The promotion committee did not consider the matter. After the screening committee finished considering the matter, its recommendations were about the same as ours. A few of the products, such as PTA, were different. Initially, we did not recommend the ICI Company, because at that time, they suggested that Thai hold only 30 percent of the shares. That did not meet the requirement for receiving investment promotion. But later on, the screening committee gave them a chance to make a new recommendation. They recommended that the Thai share be 60 percent, and in the end they received investment promotion.

[Question] The BOI came under much criticism for the way that the NPC 2 Project was considered.

[Answer] I think that this was viewed in a hostile manner. It may have been because the results of the deliberations by the committee were not in accord with what they wanted. Also, word of this was leaked in advance, and as a result, people tried to pull strings. Actually, many people tried to pull strings. Besides that, the number who did not receive investment promotion greatly exceeded the number who did. Various methods, both open and secret and both fair and unfair, were used. I am glad that a screening committee was established to provide help. At the very least, they took some of the criticism and learned how difficult it is to consider such matters.

[Question] But after the screening committee was established, some people wondered why it was necessary to have the BOI.

[Answer] I don't think that that view was correct. It is not unusual to establish a screening committee to help the main committee consider matters. Almost all of the administrative subcommittees are large committees. This matter was very technical and complex. Thus, it was appropriate to have a screening committee. The reason why the screening committee was able to consider matters so quickly was because the BOI had prepared all the necessary data in advance. Such a conclusion is too hasty.

[Question] Do you worry about having to consider large projects?

[Answer] That is my duty. If I did not dare to consider such projects, make initial recommendations, or analyze projects, I would not be doing my duty. The main committee always stresses that in submitting a matter, you have to submit your views, too. As for whether the committee accepts it, that is another matter. The committee doesn't have to approve everything submitted by the BOI. In submitting ideas, we base things on the facts and present clear reasons in writing. If the committee agrees with everything, you could ask why it is necessary to have a committee. Actually, the committee has a broad view of the problems and looks at things from the

policy level. Take the project to produce powdered milk, for example. The committee did not agree and passed a resolution not to approve this. There are many such cases. If there are insufficient facts or the reasons aren't clear, they can criticize the BOI. I would like to say again that when the NPC 2 Project was first submitted to the committee, the committee did not reject this. It had not considered this yet. It just wanted this to be reviewed first.

[Question] In considering projects, do you come under any political pressure or pressure from interest groups?

[Answer] This comes in many forms. Everyone has his own ways. There is nothing strange about that. If we keep on course, adhere to what is right and fair, and carry out our duties honestly, when people lobby us, we can use what they say in considering the matter. But unfortunately, sometimes things are said without having all the details or the right facts, and this leads to misunderstanding. But if the BOI intentionally tries to conceal the facts or gives improper reasons, then the BOI should be criticized.

[Question] Today, there is much negative talk about the BOI. Does this concern you?

[Answer] Yes, I am very concerned about this and have taken steps to solve this problem. But I would like to say that those who see the value of our work have not said very much. It is those who are dissatisfied who are the most vocal. But I listen and try to make improvements. I am always open to constructive proposals concerning the work of the BOI and interests of groups. At the same time, we have to create a balance between the interests of the public sector and those of the private sector. This is a source of conflicting views. I think that there are two levels of criticism. One concerns substance, such as whether investment promotion should grant tax breaks and if so, how much. This is a worthwhile debate, and every unit should participate. This shouldn't be promoted by one unit and criticized by another. Sometimes, people within the same unit disagree. I want people to discuss matters together and together decide which path will benefit the country the most. We must then follow that path together.

The second type of criticism focuses on individuals both inside and outside. If it concerns an individual, the criticism usually stems from the fact that certain people are unhappy with the situation. They have personal reasons and want to destroy these people. People should discuss matters and try to reach an understanding. They should work together in order to score results at both the level of the BOI and at the national level. I am always glad to listen to people's ideas in order to put them into practice when appropriate.

**'Boat People' Said Not Refugees, Cooperation Sought**

42070156c Bangkok SIAM RAT in Thai 5 Jul 88 p 8

[Editorial: "A Sign in Solving the Refugee Problem"]

[Excerpts] In recent years, instead of declining, the number of Vietnamese fleeing Vietnam by boat has increased. So many have fled that it has not been possible to relocate all of them to third countries. As a result, the number of "boat people" waiting in the receiving countries has increased greatly. This has put a burden on these countries, which have to look after these people. This includes Thailand.

Our view is that today's "boat people" are not refugees as the term is used in international law. They have not fled because of political pressure. They have left because they want to live in a more developed country. They want to improve their economic position quickly by moving from a poor and underdeveloped country to a developed country.

In view of this, it is quite proper for Southeast Asian countries to look for ways to stop the flow of these boat people. This must be done by implementing various measures. This includes carrying on public relations activities to inform the world of the facts so that the third countries that accept refugees will understand the problem. At the same time, a way must be found to increase the efficiency of the refugee departure program supervised by Vietnam. This will benefit the refugees, who will no longer be illegal refugees and who will no longer have to face the terrors of the high seas.

We sincerely hope that an understanding can be reached with Hanoi so that there will be real cooperation in solving this problem. At the same time, we hope that the third countries will help by stipulating conditions that make it more difficult for refugees to settle down there, because the countries of first port cannot solve the problems if they have to do everything themselves.

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**Princess Comments on Research, Family Matters**  
42070157 Bangkok MATICHON in Thai  
5 Jul 88 pp 2, 3

[Interview with Princess Chulaphon reprinted from the July 1988 issue of DICHAN; date and place not specified]

[Excerpts] Note: Princess Chulaphon granted an interview to DICHAN, which published the interview in its July 1988 issue. MATICHON feels that this interview is very important and so we are reprinting it here.

[Question] Many Thai men are not faithful to their wives. Is Wirayut like that?

[Answer] No. He is not a Don Juan. And he doesn't like women who are flirtatious or overly bold. He doesn't like such women. If such women start to flirt with him, he walks away. I don't have to worry. He doesn't go out at all.

[Question] Do you ever go out?

[Answer] I don't like to out either. I am usually too tired. If I go out, I just get more tired. It's better not to go.

[Question] You work very hard. What do you do to relax?

[Answer] Sleep (laughs quite a long time).

[Question] From what I have heard, you sleep very little.

[Answer] It depends. Some days I get 4 hours of sleep. Others, 6 hours. Occasionally, when I am ill, I get 8 hours of sleep.

[Question] When you were sick in Germany, were you homesick?

[Answer] Yes. But there was nothing I could do. The contract hadn't expired and so I couldn't leave.

[Question] From a letter that you wrote, I have learned that things were very difficult for you and that no one came to look after you even though you were very ill.

[Answer] That was one of the most difficult periods in my life. The doctors there were not as skilled as our doctors and their technology doesn't compare with ours. They don't look after patients as well. They aren't as concerned about their patients as are our doctors. The nurses aren't interested in the patients. When they gave me a saline solution, they had trouble finding a vein. There was blood all over the bed. I suffered a lot. I was in great pain. I had never experienced such pain.

When I was admitted to the hospital, I had severe stomach cramps and could hardly walk. But I couldn't drive up to the hospital. I had to park in front of the hospital and walk about 1 km. And like all hospitals, even though I was in great pain, they had to get my personal history first. From what university I had graduated and so on. Actually, they could have asked all those questions later. But they insisted on getting the information right then. But actually, every hospital does the same thing.

[Question] Are you on a diet?

[Answer] No.

[Question] Do you exercise?

[Answer] No. I hate exercising. I rarely exercise. I "exercise" only my brain.

[Question] How have you managed to stay so thin?

[Answer] I study chemistry. I work so hard that I don't have time to eat or sleep and so I stay thin.

[Question] Which lab are you working at now?

[Answer] At present, I am using the lab at Mahidol University. But the Chulaphon Institute will be completed within the next 3 years and so I will probably work there. It's at Km 4.

[Question] Is the Chulaphon Institute now under construction?

[Answer] The land is now being prepared. The State Railway of Thailand donated 29 rai of land. This institute was established by a cabinet resolution. Research will be conducted by all universities. That is, it won't matter to which institute a researcher is attached. There will be research grants to facilitate all types of studies. In particular, we will support studies to develop the country on the medical and agricultural fronts. There will also be a large computer center.

[Question] Is the government providing support?

[Answer] The Thai Government is providing 20 million baht a year to hire personnel and pay for the construction of the main building.

[Question] Is that enough?

[Answer] No. But this institute is linked to the Chulaphon Foundation. The Chulaphon Foundation is responsible for finding money to support the institute. As for funds to support research, we will try to obtain grants from abroad, such as Japan and the United States. I received a grant from Canada to conduct my current research project.

(At that moment, the princess turned away from the interviewer and looked toward the rear of the hall, watching a small dog as it approached.)

Someone take Sang away. He just gets in the way.  
(Giving orders to the servants)

(She relaxed and folded her hands on her lap. After the dog was taken away, she turned back to the interviewer, ready for more questions. She had a smile on her face.)

[Question] They provide support funds without having to go look for funds abroad, is that right?

[Answer] Actually, we do look for funds abroad. If we didn't, we wouldn't get any. They have to check the results of our work. When grants are given, we have to send reports to them to inform them of how we are using their money. And we must inform them of the results of the research.

[Question] Do you think that being a Thai princess makes it easier to obtain funds?

[Answer] Yes, I think that it helps. Foreigners think that this is rather exotic. Because there are very few princes or princesses in the world who are scientists. This is a very difficult profession and very few are interested.

[Question] In view of this, when you travel abroad, are they interested in the fact that Thai women are not just housewives?

[Answer] Yes, they are. They ask if many Thai women have a chance to get a college education. I tell them 50-50. They are surprised and say that that's higher than in their country. In their country, very few women enter the university. Even in Germany, which is a developed country, very few women attend the university. This shows that our country is more advanced than those countries in terms of women's rights.

[Question] Does the Chulaphon Foundation have sufficient revenues?

[Answer] I have to say no. Our expenditures are very great. We are carrying out several projects. Take the Princess Congress, for example. We have spent 5-6 million. We did not get all the money back, because we set the registration fee very low. The purpose was to build a reputation and get people to take an interest. Once there is great interest, we will increase the registration fee.

We have spent 3 million to establish a bone marrow transplant unit to treat thalassemia and leukemia at Sirirat. I just signed three or four checks. After fighting broke out at Ban Rom Kiao, the Chulaphon Foundation provided about 500,000 baht worth of medicine.

[Question] When you sign a check, what name do you use?

[Answer] I use the name Chulaphon. What other name could I use? (laughs) I have to sign many checks, because I control the money of the foundation, the institute, and of the congress. Signing checks is my profession.

[Question] How much are the monthly expenditures of the Chulaphon Foundation?

[Answer] Almost 1 million a month. I try to earn money by writing booklets and selling them.

[Question] Are you able to find money in time?

[Answer] We are behind now. The crippled soldiers who come to us are so pitiful. The doctors have said that we don't need to give them so much medicine. But they really seem to need it and so we can't refuse them. Most are antibiotics, which are very expensive. One small bottle costs almost 1,000 baht.

[Question] When you see these wounded soldiers, do you think it was right to stop the fighting?

[Answer] I don't know anything about politics. But I certainly don't like the killing. I feel very sorry for those wounded and killed. It would be wonderful if there were no fighting.

[Question] Whenever you have a problem, with whom do you discuss it?

[Answer] Usually I keep it to myself. I don't know whom to discuss it with. The king already has many problems to deal with. I don't want to add to his problems. Thus, I usually don't say anything.

[Question] Have our researchers achieved much success?

[Answer] Quite a lot. But there hasn't been much news about this. Thai researchers feel hurt about this. Thai are not very interested and so the research results are usually published abroad. I, too, publish the results of my work abroad.

[Question] What are Thai researchers excited about today?

[Answer] Many things. Much work is being done on cancer. And many researchers are interested in the production of crop seed, particularly new varieties of rice that are more resistant to disease. Others are interested in improving the land and the environment. In many cases, the environment is ruined by industry. Researchers are interested in this.

[Question] Are there ways to protect the environment?

[Answer] Yes, there are. The only question is whether people will do this.

[Question] As a scientist, how would you like to see science develop?

[Answer] Naturally, I would like Thai scientific circles to be on a par with those in Europe. I don't think we are very far from that. Because based on what I have seen there, Europe is not that far ahead of us. Japan is very advanced. Science in Japan is much more advanced than in Europe.

[Question] What are the obstacles that are holding us back?

[Answer] The main obstacle facing the Thai people is lack of unity. People from different institutions have trouble working together. This is a major problem. Chulalongkorn, Mahidol, and Kasetsat universities all carry on their own separate projects. There is no cooperation. They don't think of working together. Also, there is duplication of effort, because people don't know what others are doing. This is a great problem. One of the

reasons for establishing the Chulaphon Institute is to get people to work together. We will store data and research results to prevent duplication.

[Question] Do you think that things in this field have improved since you became involved?

[Answer] It would be better if you asked someone else that. You will have to ask other scientists whether things have improved.

[Question] Will you travel to the United States next month?

[Answer] Yes, I will go in April. I will be on a coast-to-coast lecture tour. I will visit many cities.

(Dit began to play and chat to herself)

[Question] When you lecture to foreigners, do you get more excited than when lecturing here?

[Answer] No. Foreigners aren't superior to Thai.

[Question] Do they ask questions?

[Answer] Yes. This is not a problem. Because in science, even though they ask questions, there is always an answer. No one can know everything. And the topics on which I lecture are topics with which I am very familiar and about which I know more than they do. Thus, there aren't any problems.

[Question] Whenever you make a discovery, do you have to copyright it?

[Answer] Yes. That must be done quickly. Otherwise, other countries might use it. You have to inform the Chemistry Organization that you have found some new substance.

[Question] How many things have you copyrighted?

[Answer] I have copyrighted several substances.

[Question] But others can make use of our research results, right?

[Answer] Yes. But they have to admit that these are ours. They can't claim them as theirs. But if we don't copyright them, they can say that those things are theirs. That has happened many times, because in the past, Thai did not copyright their discoveries. In particular, foreigners have taken many herbal medicines. They have stolen both plants and knowledge. When a joint research contract is signed, normally, Thai law stipulates that at least one Thai researcher must participate. But very often, foreigners don't want them to participate. They are afraid that we will learn something. This happens quite frequently.

I am now on the committee that promulgates these regulations. We have become stricter and have prohibited herbs from being taken out of the country. If foreigners want to do research on this, they have to conduct their studies in Thailand. They have to use our labs. Also, our research group has to be the project leader. Otherwise, they won't be allowed to carry out the study. When they take something of ours, it's not that they are faster because they are smarter but because they have much more money and equipment.

[Question] You probably get very tired in view of all the work that you have to do both professionally and as a member of the royal household.

[Answer] Yes, I do get very tired. Sometimes I just want to go to sleep (laughs) and not go anywhere. I just want to sleep. But normally, I can't do that.

What tires me the most is when Thai scientists criticize each other. And they come to me for a decision. That really makes me tired. I hate to see my fellow countrymen arguing.

[Question] What do they usually argue about?

[Answer] Usually about institutions. But at the Chulaphon Research Institute, everyone will be welcome. I hope that this will be a center of Thai solidarity. I hope that we can solve this problem. So far, administration is being handled jointly by several universities. Things seem fine. Positions will be equal.

[Question] What about the crafts project?

[Answer] I am helping. We are now having some problems. We are training youths, and some of their first works are not very pretty. It is difficult to sell these. If we can't sell these, that means that the Crafts Foundation has to pay them. We have to pay them a daily allowance. And so money keeps flowing out all the time. If we can't sell their products, that creates financial problems. But there are several things that are helping. Silverware, for example, sells very well.

[Question] Do you keep the items that aren't sold?

[Answer] Sometimes we have to keep them. We have to rely on those who have good skills and on colleagues. Cloth is a big problem. There is no trouble selling beautiful silk-cotton fabrics. But we can't use ugly fabric to make clothes. We consider whether the cloth can be used to make pillows like this (lifting a long cushion from her chair and pointing to the stripes). Whenever the cloth is not well made, we use it to make pillows and notebooks. We ask our colleagues if they have any ideas.

(Just then, a royal page came in with some fresh orange juice. Her daughter was tapping her mouth and biting a purse strap. She walked around and then came up to the chair and hugged her mother.)

[Question] Will the fact that we are introducing them to new methods, such as providing them with new colors and designs, lead to the disappearance of native styles?

[Answer] We do this in certain cases only. We don't do this with silk-cotton cloth. We haven't introduced new colors or designs. They have their own designs. And their colors are much prettier than any we could recommend.

Are you familiar with bulrushes, which are similar to rushes? The clothes that they make with bulrushes come only in black, red, and green. Foreigners like pastel. The fact that we have recommended this color doesn't harm old customs. It's just a change in color. But we have not tried to change the designs in any way.

[Question] What about exports?

[Answer] There is still no steady export, because of foreign import tariffs. Each country is trying to block the import of goods from other countries. Few countries understand. Usually, it is small customers who make purchases here.

[Question] You said that your health is not very good when you travel in the provinces and have to associate with people who are ill. Are you worried about your health?

[Answer] What can I do? That is my job. I usually get vaccinations as a preventive measure. This is only partly effective. Because there have been times when I have gotten sick.

[Question] A cold or what?

[Answer] Not just an ordinary cold. I once caught rubella. But if there is any vaccine that I can take, I take it.

[Question] After becoming ill after a trip, have you ever considered not going again?

[Answer] No, because that is my duty. If everyone thought that way, no one would do anything.

[Question] Do you consider yourself fortunate to have had a chance to travel and see things?

[Answer] Yes. I have had a chance to travel both here and abroad. If a person who has stayed in Bangkok all his life has a chance to travel abroad, he is lucky to a certain extent. That is, he has seen the outside world. But if he doesn't know anything about his own country, he should be embarrassed. That is, if he is a Thai and hasn't seen his own country, he should be ashamed. We have to know our own country before we can disseminate anything.

[Question] When you travel abroad, do they ask you what the Thai people are like?

[Answer] They always ask about health and education. I never feel embarrassed, because I can answer their questions.

[Question] When you travel in the provinces, do you take your children with you?

[Answer] Yes, but they stay at the palace. If we go to Narathiwat, for example, they stay at Thaksin Rachaniwet Palace. They are still too young to go out. They could easily become ill. The doctor has said that they are still very susceptible to becoming sick. I don't want them to go out and mix with too many people. They should wait until they are at least 10 years old.

[Question] Do the villagers ask about them?

[Answer] Yes. And many ask for their pictures. I have pictures that I distribute. The villagers like that.

[Question] Do you plan to have a third child?

[Answer] I would like to, but I can't find the time. In Thailand, you can't hire a surrogate mother yet. (smiles) I would like to. But I don't have time to carry a child. I am not strong. When I am pregnant, I have to rest a lot. I have to sleep. When I stand up, I have bleeding. Thus, I have to have free time, which I don't have now. If I have to take time off from work, my work will suffer. My work is going quite well right now. It would be a shame if I had to stop right now.

[Question] Then it will probably be awhile.

[Answer] It depends. If the doctors can find a surrogate mother, it might not be too long. (laughs)

[Question] How do you maintain your health?

[Answer] I don't know. I don't have time to take care of myself.

[Question] You work hard. Do you need people to help keep your spirits up?

[Answer] Yes, everyone does. All I ask is that the people understand. I don't need anything else.

[Question] Suppose that the people misunderstand. Do you feel hurt?

[Answer] Yes, that's only normal. If we try to do something and the people fail to see our good intentions, that hurts.

[Question] Has that ever happened?

[Answer] Yes, it happens all the time. I don't think it is ever the case that everyone understands everything correctly.

[Question] Have you heard this personally or have people told you?

[Answer] Sometimes friends tell me, and sometimes I hear things myself. For example, some people have said that I am antisocial, because I don't like to go out. I don't go shopping and so on. I haven't responded. But this hurts. Because I am not antisocial. I just don't have time. I work from dawn to dusk as it is. And when I am at work, I feel very guilty about not spending more time with my children. Thus, if I had some free time and spent that time going here and there, I would in effect be abandoning my children. I think that I should spend my free time with my children.

[Question] As a woman, don't you like to go shopping sometimes?

[Answer] Of course, but I don't have time. I can't help it. At least it saves money. (laughs)

[Question] If you had time, where would you like to go with your family?

[Answer] If I could travel with my entire family, I would like to go someplace quiet, such as the seaside. I would like to go to an island or take a boat ride. But I have never done this in Thailand. I have done that on occasion abroad. But usually I am in a laboratory. I sometimes ask the wives of diplomats to take my children out. They go to the amusement park or the zoo.

[Question] You don't get overtime, right?

[Answer] No, because I am a regular government official. Government officials aren't paid overtime.

[Question] What grade are you?

[Answer] C-7

[Question] And your military rank?

[Answer] I am a professor in the Air Force. I also work as a special professor at several other places.

[Question] Do you frequently have to choose between your work and your family?

[Answer] Yes. Sometimes I feel sorry for my children. Because when my children go somewhere, they want their mother to go, too. But I can't go. I have to tell them that I am busy.

[Question] You don't have weekends off, is that right?

[Answer] Scientists work every day. It was much easier when I was a student. At least we had a term break. But as an instructor, there are no term breaks. In the summer, we have to prepare for the next school year. And I

have research projects to work on. Although I don't have much time off, I'm fortunate in that I like to teach. If I didn't like it, I would probably quit.

[Question] Does your husband turn over his monthly paycheck to you?

[Answer] No. We each keep our own money. I don't interfere with his money, and he doesn't interfere with mine. He is very busy and has many subordinates. He has to take care of his subordinates. If I wanted to take some of his money, it would be like squeezing blood from a crab.

[Question] Do you have to prod him to get him to perform on stage?

[Answer] He performed once several years ago in Narathiwat. He gets embarrassed because he isn't used to performing.

[Question] You have chosen to work hard instead of enjoying yourself. How long do you plan to work?

[Answer] I plan to continue working, because I haven't reached my goals yet.

[Question] What are your goals?

[Answer] One is to find a cure for cancer. Another is to put the Chulaphon Institute on a firm footing. I want it to be a research center, not only in Thailand but in Asia. Because today, there is no institute like this anywhere in Asia. Japan is surprised that Thailand has taken the lead in this. We have had the support and backing of the government. Otherwise, we couldn't do this.

[Question] Would you like to receive the Nobel Prize?

[Answer] Not really, because it doesn't really mean that much to me. Every award and everything else is just an illusion. Actually, we don't know what it is. Because everything has strings attached. I think that this is mostly a matter of politics. And so I really don't care. Because everything has strings attached.

[Question] Is your husband romantic?

[Answer] No, he is more "true to fact." That is, he is very straightforward. But that's fine, because many men who are romantic are Don Juans.

[Question] Then you chose the right person.

[Answer] I think so. Because those who are very romantic must have had a lot of practice.

[Question] Do you do anything special on your wedding anniversary?

[Answer] This year we didn't do anything special.

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**Plans Submitted To Purchase More Electricity**  
42070158b Bangkok MATICHON in Thai 7 Jul 88 p 6

[Excerpt] A report from the National Energy Policy Committee stated that at a meeting in June, the Electricity Generating Authority of Thailand submitted a plan to purchase more electricity from Laos and Malaysia. It wants to have reserves so that the generation of electricity is secure. Also, coal must be used to produce electricity, because the domestic demand for electricity has increased greatly.

11943

**Antidemocratic Rules, Money Invalidate Election**  
42070165b Bangkok BAN MUANG in Thai  
20 Jun 88 p 2

[Editorial: "Financier Democracy"]

[Excerpt] Today, an effort is being made to prevent the people of the country from playing their rightful role in governing the country. This is being done by promulgating laws blocking the establishment of political parties, making it difficult to run for office, and using money to buy votes. The methods being used today are the methods of financiers, who actually control administration and the democratic system.

Take, for example, forcing the political parties to field a number of candidates equal to more than half the number of seats in parliament. This is a clear example of their attempt to destroy the democratic system. The political parties have to waste millions of baht on this. The important thing is that the political parties cannot find enough good people who are qualified to be politicians to run for election. They have to pick people off the street to run for election in order to field the required number of candidates.

This wastes money, and it destroys the people's confidence in the democratic system. They don't think that the political parties are really serious about the democratic system. Moreover, some rich financiers have proposed that the fee charged when filing as a candidate for MP be increased from 5,000 baht to 50,000 baht in order to protect the politicians in the field. Actually, in the financier type democracy, there should not even be an election. Instead, they could submit bids for the position of MP. Whoever wants to be an MP could pay 10-20 million baht. Those who want a ministerial portfolio could pay 100-200 million baht. There are at least 1,000 wealthy financiers who would pay that much. That would be simple and convenient.

11943

**Central Bank Official Views Economic Expectations, NIC Status**  
42070153 Bangkok *KHAO PHISET* in Thai  
29 Jun-5 Jul 88 pp 35-40

[Interview with Dr Siri Kancharoendi, director of the Office of the Secretary, Bank of Thailand; date and place not specified]

[Excerpt] Note: Today, the unexpectedly rapid rate of economic growth both here and abroad is receiving just as much attention as the political situation. For this reason, KHAO PHISET is publishing this interview with Dr Siri Kancharoendi, the director of the Office of the Secretary, Bank of Thailand, who discussed the economic situation today and made predictions and suggestions concerning the economic system. This should be of value to the people and those concerned.

[Question] You said that income distribution is better this year than last year. What are the factors that prevented income distribution from being better last year, and what are the factors that resulted in income distribution improving this year? Is this the result of the government's policies?

[Answer] I don't think so. I think that this is a natural movement. When the economy begins to grow, there must be some motive force or lead point. Last year, the lead point was the expansion of the industrial and tourist sectors. Initially, the money earned was concentrated in these two sectors. But then the money was dispersed to other sectors.

[Question] Then this was a natural phenomenon, is that right?

[Answer] Yes, that's right.

[Question] It was not the result of the government's policies.

[Answer] Initially, the money was concentrated in the hands of certain groups. But when things began to improve, there was forward, or backward linkage. The money was dispersed and other things were pulled along. That was good. But how good is something else. Who got the most is something else. As I said a moment ago, initially, the people who gained the most were the industrial producers, exporters, and people in the tourist business. Those who benefited later were the people in general. Thus, this year should be better as compared with last year. If someone says that the economy was good last year, many people will ask, Is that true? But if you ask them about the economy this year, most will say that it is OK. Everyone thinks that the economy has improved. At the very least, people are complaining less.

[Question] Let me summarize what you have said. The improvement in the people's standard of living this year is the result of natural causes. It is not the result of government policies.

[Answer] It's a component. As I said a moment ago, this is a continuation of what was happening last year. This was accompanied by an improvement in farm prices. Farm prices are linked to the countryside. The agricultural sector benefited. The government must be given some of the credit. For example, the government has tried to facilitate various things. But as many people know, the key element for the Thai economy is not the government. It is the private sector, the business sector. Whenever they see an opportunity, they try to take advantage of it. As for the government, as has been said, the government....

[Question] Did not get in the way?

[Answer] Did not slow things down. It provided much help. Thus, as for whether the government facilitated things or not, what we can say is that it did not slow things down. In my view, enabling things to keep pace is facilitating things.

[Question] Can it be said that there will not be any negative effects on the Thai economy if the government does not do anything to block its natural growth.

[Answer] That's right. I am sure that if the government apparatus functions adequately and allows things to happen in accord with market forces, with the government just providing support, that would not be a bad policy for Thailand. That is a general policy for industry and agriculture. Whenever a sector is doing well, the government should just provide support when needed. That is one form of government help. But I also believe that this is a general policy. It could be the policy for industry or agriculture. They must be helped to see that things are going well. But there is also another side, which I call macro policies. I think that the government has to play a role in this. Simply not obstructing things is not enough. With respect to macro policies, the government must monitor things closely. This term, macro policy, refers to financial policy, taxes, expenditures, and budget allocations. These things can't be left to chance. Another macro policy concerns interest and exchange rates. If these things are left to chance, things will be difficult. Thus, with respect to these macro policies, the government must play a role in keeping the economic situation stable. But with respect to micro policies, all that is necessary is for the government not to interfere. It is clear what happens when we interfere with micro policies. A good example is the port issue.

[Question] I am asking you this question in order to build confidence, which is the duty of the national bank, too. After the election on 24 July, regardless of who forms the government, this will not have any negative effect on the economic movement, isn't that right? That is, regardless of who forms the government, the macro policies will not be changed.

[Answer] If regular government officials carry out their duties in a responsible manner, monitor things closely, and keep on course regardless of who comes to power, I think that things should stay about the same regardless of who forms the government. Regular government officials play a major role in our country. Another thing is that the government apparatus, particularly the political parties, have an effect with respect to policy in general. I don't think that our apparatus is ready. It's true that we have political parties, but our political parties.... To be honest, it's difficult to find politicians with the economic background necessary to formulate economic policy. Regular government officials are still playing a role. Thus, looking at economic management in Thailand, power is divided between the regular government officials and the politicians. Even though the government may be somewhat different, in essence, there will be little difference.

If the new administration preserves the framework of our development line by relying on the market mechanism, I am sure that things will be fine. But if the new administration involves the interests of the parties in economic management, that could lead to mistakes. Suppose that some party becomes the major party in the country (laughs) and that that party has major trade interests, changes would probably be made. Thus, I have stressed that the situation during the next 2-3 years will be fine if interests are supported sufficiently to ensure that the general policies are in accord with the market situation and the things that we have been doing.

[Question] What will be the real supporter or protector of our economy? Will it be the world economic movement, which has chosen us as the target based on the needs of investors, or the ability of the government?

[Answer] The world economic situation has helped us. Our market expansion has not encountered any real obstacles. The government has played two roles. To give you a simple example, suppose that the world economy is good, that the consumer goods market is good, and that prices are good. If politics becomes heavily involved even though prices are already good, they may want to spend more money just in order to win votes without looking at the country's financial and monetary situation. In that case, things would collapse within 2-3 years. Thus, good management will focus on keeping things in accord with the situation. If prices decline to the point where this affects the farmers and we pour in money in order to support prices, I think that that is in accord with the situation. But if everything is fine and they pour in money just in order to win votes, that is not in accord with the situation. Thus, if the new administration just acts in accord with the situation, I don't think that it will be necessary to do too much.

[Question] We are saying that doing things based on the framework and basic facts will enable us to....

[Answer] We will be able to support ourselves.

[Question] But given the present situation, shouldn't we give more thought to taking the initiative in addition to doing things in accord with the framework? Shouldn't we implement additional policies to take advantage of the opportunities, and if we should, what should these policies be?

[Answer] We should definitely do that. And we have to rely on the government. To give you a simple example, Thailand has constantly relied on exports in developing the country. As for what is happening today, we admit that it is the private sector that is taking the initiative. If the public sector wants to play a greater role, it will have to make forecasts. Suppose that Thailand is the focus of attention, that foreigners are investing here, and that the sole purpose of some of these investments is to obtain quotas. Because every country does things differently. The government must monitor things to see whether the present policies, which are based on promoting foreign investments, have any weaknesses. It must then use the information to change the line of seeking foreign capital. Another example is that if we admit that our policies rely mainly on exports, the pressure from other countries will eventually increase in the form of trade protectionism. During the next 3-4 years, this pressure will probably increase in proportion to the improvement made by our country. The government should take action on this now.

[Question] That is, take action in advance.

[Answer] That's right. It should not wait for other countries to apply pressure whenever something happens. This is something that can be done.

[Question] The public sector must be more efficient.

[Answer] It must be able to keep up with the situation and forecast things. Actually, some of our businesses lack certain types of raw materials, and they may not be able to expand. We may implement programs to expand coastal industry, such as along the eastern seaboard. We must give careful consideration to what the future form will be and to how we will use our natural resources, land, and manpower. We must be prepared in terms of policies. If we have only a support policy, it may be too late. But if we have an activist policy, we may be able to promote things. And in that case, we may be able to develop things faster.

[Question] Let me try to summarize the qualities of a good government in your view. It must look to the future and make plans to increase the economic growth rate or make greater use of the opportunities for expanding the economy. At the same time, it must also look back at the issue of dispersing revenues, which is still a problem. Is this a fair summary of your views?

[Answer] Yes. It must consider the economic problems, which will still be with us in the future, and monitor development.

[Question] That is, both wealth and fairness.

[Answer] Yes, adequate attention must also be given to the social problems.

[Question] Can it be said that we have not taken advantage of the opportunity to make progress and make things fairer?

[Answer] I am not sure how much importance the government attaches to social issues. It has placed adequate emphasis on the economy. By society, you probably mean dispersing revenues. I am not sure how closely the government has monitored this. It must be admitted that expanding the economy is not that difficult. The social problems are much more difficult to solve. There are few economic tools that can be used to solve the social problems. The capitalist system has only one tool and that is the expenditure tax. I can't think of any others. The national bank talks about dispersing credits to the countryside. That is one effort that is being made. But that has not achieved very much in terms of dispersing revenues. That just provides an opportunity. But as for whether this can or can not be done, that depends on many other factors. Actually, this is a very difficult problem to solve. It is a natural process. If we agree to follow a particular system, we have to know in advance what the consequences will be.

Suppose that a particular country uses a capitalist system. The word capitalist means that capital is the leading element in development. This is clear and doesn't require any further explanation from me. From capitalism, efforts will bring this about. This will require great effort. And over the long term, this may be very necessary for its stability, for political stability, for stability in....

[Question] Today, there is social capitalism in which laborers can demand social guarantees. This is one measure that can bring about justice in society.

[Answer] I think that it is essential to have a social security law. This disperses justice in the form of capitalism. What this means is that if a person works until he retires or does not have a job, he has some support. I think that this is needed. But I don't think that this will disperse revenues. This will just make the lives of people more secure. This does not solve the basic problem. But this will improve things and make it easier to get along.

[Question] A moment ago we talked about exports and the process of seeking profits, or the business activities of the world that concern our country and this region. We also talked about the government, which should be well-informed and which should make forecasts about the future. What does the national bank think about the trade war, which seems to be growing more intense, and how should our country conduct itself in this situation?

[Answer] In general, although protectionism did not increase last year, it did not decline either. The only thing was that the form of the problem changed. Originally, the developed countries were not the target of trade protectionism. But recently, the concept of NIC [newly industrialized country] has suddenly appeared. NICs are countries that are between developed and undeveloped. No one knows for sure. Even those who invented this term are not sure. But it is these countries that are the target in the eyes of many countries. This term actually refers to Taiwan, Korea, Hong Kong, and Singapore. Then there are countries that are not really NICs (laughs), one of which is Thailand. People don't regard Thailand as being an NIC. But they view us as having the potential to become an NIC. Thus, it is necessary to take action now. I don't think that this is talk on paper.

[Question] It's a movement....

[Answer] This is actually happening. Thus, we must start thinking about this now. I don't know what the measure should be. But those who are involved with international trade and who must explain things will have to make it clear that there are both real and false NICs. Or they may be viewed as NICs as a result of a lot of advertising. We must see how many years it will be before we are a real NIC. I think that there is still a great difference between Thailand and Korea and Singapore. Our per capita income is about \$800-900 while that of Singapore is about \$2,200-2,300. That of Korea is much higher than ours. Sometimes, being gung ho leads to misunderstanding. This could affect our interests adversely.

[Question] Are you saying that we should not portray ourselves as an NIC?

[Answer] It's very difficult to determine whether we are an NIC or not. In view of the fact that even we don't know, we shouldn't portray ourselves like that. If we know where we stand and the tide takes us in that direction, we can make preparations in advance. Because if we are an NIC and encounter such problems, it won't matter that much. But if we aren't, that could be very serious.

[Question] If we are a false NIC, what should our foreign policy be with respect to the trade war?

[Answer] (laughs) I am not sure how far we will go. What I mean is that, if we are to help ourselves, we must see what the real situation is and make preparations in advance. It can't be denied that in general, our economy is much better than that of neighboring countries. Many countries are interested in investing here. Something else that can't be denied is that our exports have increased greatly in the past period. We have a trade surplus with some countries. What we have to make other countries understand is that we have never taken advantage of others. For example, our goods have competed effectively against those from other countries. But this is not

because the Thai government has provided support or money. We have not done anything that would give us an unfair advantage over foreign producers. We must make it clear that we have never supported and do not have a policy of supporting such things. As I said above, it's a matter of our private sector's production efficiency. It's a matter of ability in finding markets. And this happens to be a time when the real newly industrialized countries are moving to a new level. Some of their products are becoming more expensive. They have to find a way to transfer operations. By chance, we are in a position to handle things for them. We have the labor capabilities to handle things. We have technology that has been transferred here. Our labor skills are not bad. Our management and marketing are good. The quality of our goods is monitored closely to ensure that quality is even. The fact that we are in a suitable position is a natural process. For example, in Taiwan, shrimp rearing is becoming more expensive and so they have transferred operations to Thailand. They can no longer produce canned bamboo, because they have run out of bamboo. And so this has been transferred to us. This did not happen because we provided support funds unfairly.

[Question] Besides fostering better understanding, given trade protectionism, the world's search for profits, and the obstacles confronting the NICs, should we try to become an NIC?

[Answer] I don't think that we can determine our fate. Even though we have formulated many plans, the things that have happened have been very different from the plans. Thus, we can't say that we are not going to become an NIC or NAC (newly agricultural country). It is buying power and the pattern of spending in buying our goods that will determine what we should do. Industry and exports have increased greatly during the past period. This is due in part to the fact that they need certain types of goods and we can produce these goods cheaper.

[Question] Does this mean that given the world's search for profits, we have capabilities in terms of solving the immediate problems?

[Answer] I don't think that's correct. With respect to the expansion of the world economy or the need for certain types of goods, sometimes you can see 4-5 years into the future. If the government acts in a very responsible manner and supports what is clear, things will proceed smoothly. Today, the tide supports the export industry, including furniture and shoes. Everything is connected. If we keep up with the situation and simply help speed up things, things will be fine. But if we go against the tide, such as by saying that we will be an NAC, that is, focusing only on agriculture, we will move backward. Thus, making forecasts for economic planning is very important.

[Question] Do you mean focusing on solving parts of the problem rather than trying to solve the entire problem?

[Answer] We have to admit that we are a small country and cannot determine our own fate.

[Question] We have to follow the tide.

[Answer] Yes, we have to follow the tide. But we can choose the best part of the tide. I don't think that we can determine our own fate. Suppose that we could. Some countries use a closed system. They can do that. We could do that, but I am not sure that we could call that a "success." If we want an open system, we have to keep up with the situation and make profits. That is capitalism. Capitalism means trying to make the largest profits with the capital available. A country is a part of capital. We can't go against the world current. We have to know in which direction the current is moving and then adjust ourselves accordingly in order to make large profits.

[Question] As for stipulating the main current as we have discussed, doesn't being a developed agricultural country, or agricultural superpower, pose a danger?

[Answer] I may be old-fashioned in my thinking. I am not sure about the NAC concept. If we look at the two development paths, that is, industry and agriculture, agriculture cannot control production or demand. Because for the most part, this concerns our daily lives. But with industrial goods, at least we can make changes based on the situation with respect to demand and production. From this standpoint, it would be better to put the emphasis on industry. But it has also been observed that as far as industry and agriculture are concerned, there is a great difference in the quality of life, a difference that can't be measured in terms of money. There is no comparison between countries with a lot of smoke and countries with green fields.

[Question] What if we stress agricultural industry, too?

[Answer] That would be OK. That could be a part.

[Question] What do you think about the National Fertilizer Project, which is concerned with agriculture but which has not achieved very much?

[Answer] There should always be fertilizer available. If we don't consume too many resources on this project and if the benefits of this will exceed the costs, we should go ahead with this.

[Question] That will be difficult. There must be gains and losses. Some people do not think that we should invest because of the risk. But others feel that the government should take the risk for the people. They think that this should be done in order to build a foundation for agriculture. What criteria should be used in considering these two views?

[Answer] If we can produce fertilizer ourselves, even if production costs are higher than others, we should go ahead. But if our fertilizer is more expensive than that of

others, we do not support this with the budget, and the farmers have to pay more for our fertilizer than that of others or for imported fertilizer, I don't see the purpose of this. What is the purpose if our fertilizer is more expensive or we have to provide support all the time? If we have to support an industry forever, I think that it would be better not to become involved in that industry. Because in the end, that will hurt others. We will have to use the money of others to support this. What I am trying to say is that we shouldn't dream. We should do things based on the facts. We shouldn't aspire to something that is unreal. We should be concerned about moderation and security. By security I mean seeing if something is worth the cost. Because if it isn't, we will fail. If it is felt that the National Fertilizer Project can succeed, let's go ahead. That's security. But if we are going to lose money all the time, that's not security. I have used the word "flexibility" and said that we must take advantage of the opportunities presented. "Moderation" means "not in excess." We have to know where we are at. Some people might say that this is not ambitious enough. But by its very nature, I think that "flexibility" is ambitious enough.

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**Privy Councillor Comments on King, Agricultural Projects**  
42070152b Bangkok *KHAO PHISET* in Thai  
6-12 Jul 88 pp 12-15

[Interview with Police Maj Gen Anthasit Sitthisunthon, a privy councillor and the former minister of interior, on 29 June 1988; place not specified]

[Excerpt] Note: Even though his voice is now somewhat softer at age 85, Police Maj Gen Anthasit Sitthisunthon, whom many call "Luang Anthawit," talked with us about his past in a very even tone. He has been a privy councillor since 1975. He expressed his views on a variety of matters during the interview by the editor's office of *KHAO PHISET* on 29 June 1988.

[Question] As someone who has had a chance to serve the king for many years, what do you think of his abilities and of what achievement are you most proud?

[Answer] The king is a very intelligent man. He is very interested in agricultural matters, which is quite appropriate in the present situation. Unless something is done, the people who don't have any land to work will destroy the forests. The forests are very important. Without the forests, there will be drought. Drought is a major issue. Or without trees to help absorb the flow of water, there may be floods.

[Question] That could throw the rural areas into a crisis.

[Answer] Things would be very difficult. It's like being in debt. Some people may be able to help themselves. They have some money and can rely on relatives and friends. But most would be in trouble if the government didn't provide help.

[Question] Prime Minister Prem has frequently said that 11 million people are living in poverty and that this problem must be solved. But now, 8 years later, the problem still hasn't been solved.

[Answer] Those are only superficial attempts. I don't know if they have focused on the right spots. In developing the rural areas, money has been spent to create jobs, build dams, and so on. We have built many roads, but has this benefited the rural areas? If you want to travel, you can go by airplane, train, or car. But in the rural areas, the people just want to travel from the village to the district or subdistrict seat. You can travel from one part of the country to another conveniently. But in certain rural areas, the roads are not good. Roads can make people smarter, because they enable people to see more of the world.

[Question] What do you think about the Green Northeast Project?

[Answer] Since this project was implemented, organization seems to have improved. This project must be well planned. It can't be completed in a day or two. It must be carried on resolutely. It must be well organized. You can't play at this. If they can complete this, that will be fine. Actually, I think that the northeast is a very important region. The Vietnamese plan to annex this region. We will have to wait and see how great an effort is made to develop this region.

[Question] Has the king given any orders since the Green Northeast Project was implemented?

[Answer] Not that I know of, because I am involved with general affairs, not agricultural matters.

[Question] Which of the problems facing the country do you think are the most pressing?

[Answer] I think that if we can solve the problems confronting the farmers so that they have a suitable standard of living, that will give them hope for a brighter future. We can then solve all the other problems. Otherwise, we won't be able to solve any of the problems, because 80 percent of the people are farmers. Most are poor and heavily in debt. They have to rent land to farm. If we can solve the problems confronting these people, it will be much easier to solve the other problems, including the bandit problem.

It's true that our international trade is good and that we have reduced our trade deficit. But this has benefited only a few wealthy people and foreigners who have invested here. In my view, we have to solve the problems

confronting the great majority of people, because that is where the purchasing power is. They form the foundation of the country. Promoting industry is fine. But industry must support agriculture, too. We must use agricultural raw materials. That will help agriculture to thrive.

I have long thought that countries with a developed agriculture can become industrial and commercial countries. Our country is appropriate, because the climate is well-suited to agricultural activities.

[Question] Do you mean that it would not be right to jump into industry if our agricultural sector has not been fully developed?

[Answer] That's right. We can't do that. That would be good for one group, but agriculture would stay the same. If agriculture improves, things will improve for the small merchants, too. If we don't perfect agriculture but instead become involved in something else, things will be fine only temporarily. And later on, other difficulties will crop up.

[Question] Can we say that agriculture has made half the progress expected?

[Answer] No. Land is the problem. During the time of the Sanya administration, we promulgated a land reform law and hoped to complete things within 3 years. The objective was to enable landless people to buy land on installment. But not much progress has been made.

[Question] As compared with when you began carrying out land reform, how much progress has been made in solving the agricultural problems?

[Answer] Today, we have goals. What the king is doing is very suited to the country's present situation. The king is focusing on agriculture. For example, yesterday at Wat Yansangworaram, the king focused on those who had brought in agricultural produce. The focus is not just on old types of goods, but on anything that can earn income. We are focusing on how to improve the land and have adequate water. Water is essential to agriculture.

[Question] This indicates that the government has not solved the problems or created a real foundation.

[Answer] The problems can't be solved like that. We can't make the people responsible for helping themselves like this.

[Question] But the efforts made by the government indicate that it has given much attention to this. For example, the government has said that it will step up rural development and implement a rural area job creation program.

[Answer] That's fine. Everything possible should be done. But in general, they don't dare meet them face to face. There is no land. There is nothing. Suppose that you want to plant something. There is no way of knowing when you be evicted.

[Question] In short, the most effective way of solving the problems as quickly as possible is to carry out land reform, is that right?

[Answer] Yes. This must be done resolutely. And something must be done about irrigation. Water must be provided. Wherever the king goes, water is usually the main topic.

[Question] How can reform be carried out if the land-owners, whose interests will be adversely affected, refuse to cooperate?

[Answer] We have to use the law. Reform must be carried out based on the law. Japan had much less land than us, but they carried out land reform. When I went there to observe things, they told me that it had taken them 70 years. The influential people and representatives refused. But there were food shortages following the Second World War. And so they had to do this. Now, everyone is pleased by this, because the economy improved.

We promulgated a law more than 10 years ago. But very little has been done. We do things every year, but very little is done. We have to do this, because there is a limited amount of land. But the population is increasing every year. We can't allow one person to own a lot of land and earn huge profits by renting it out. The government has seen the necessity of land reform and promulgated two laws. Since 1975, it has promulgated the the Land Reform Law and the Land Management Law.

[Question] Has the king issued any instructions on how to develop the rural areas or agricultural sector?

[Answer] He has constantly said that our agriculture must be developed and that other things will follow.

[Question] Thus, the economic figures, which show an economic growth rate of 9 percent, are simply a phenomenon....

[Answer] Those are just an average. There are people with millions and people who don't have money, or just 10-20 baht. Computing an average income distorts the picture. These are the figures of academics. For example, the figures show that exports and foreign investment have increased greatly. We have laws stipulating that they can earn money and export goods unless there is a crisis. This is similar to buying goods from abroad. The difference concerns wages.

[Question] What do you think about the term now used to describe national development, that is, "newly industrialized country?"

[Answer] I think that we can succeed if we focus on agriculture. But that is not possible right now. The figures look good. We are exporting many goods. But the question is, Is that money being shared by the majority of the people? A few people are making huge sums of money. But the majority of the people are poor and earn only enough to get by from day to day.

[Question] How great an effect will these unsolved agricultural problems have on society in the future?

[Answer] They are already having an effect. Crime is widespread. Although there has not been a major uprising, there have been small riots. There are bandits everywhere. If people don't have any food to eat, they will do anything. They are not afraid of going to prison. People have to have hope. We can't help everyone to become rich, but we have to give them hope and help them to improve their lives.

[Question] Who is to blame in view of the fact that everyone wants a better way out?

[Answer] The only way is for the government to carry out land reform in a resolute manner. This can't be done halfheartedly. This must be done on a nationwide scale. We have to do this regardless of how much it costs.

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#### Concern Voiced Over Debt Size

42070163b Bangkok SIAM RAT in Thai 15 Jul 88 p 8

[Editorial: "The Debt of the Thai People"]

[Excerpts] The director of the Department of Economic Research, Thai Farmers Bank, stated that the national debt now amounts to approximately 12,000 baht per person for the country's 50 million people. This debt was created by previous administrations and the present administration. The money was borrowed both here and abroad in order to develop the country.

The debt burden per person has increased like this because the amount of debt owed has increased. That is, at the end of 1987, the country owed a total of 641,361 million baht, or 57.3 percent of GNP. Of this, approximately 300 billion was borrowed domestically. The remaining amount was borrowed from abroad.

The government has expressed satisfaction with national development and the economic situation in the past period. But we are not sure what the country's real situation is like. This is a national debt for which the people as a whole are responsible. At the same time, many people owe personal debts.

We feel that it is time to take a look at our real situation. We must reduce both public and personal debt. We must change our lifestyle and live more simply and frugally before the country collapses because of being a slave to money and the economy.

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#### Church-State Separation Issue Seen in Party Defeat

42070167b Bangkok NAEON in Thai 27 Jul 88 p 5

[Editorial: "Religion and Politics"]

[Excerpts] Some people think that the reason why the Phalang Tham Party, which fielded the most candidates, that is, 319 candidates, won only 14 seats is that the party involved a religious organization in politics too much.

The Phalang Tham Party openly admitted that it had ties to the Santi Asok religious institute. This announcement greatly hurt the party's popularity. Because:

1. Many people are still suspicious about the Santi Asok institute. Its tenets are too progressive for many people, and either intentionally or unintentionally, it has placed itself above others. This has created an air of strangeness and generated negative feelings among most people.
2. Thai feel that religion is something lofty and that it should not be associated with any particular faction. Involving religion in politics disturbed many people.
3. The only person in the Phalang Tham Party who is generally recognized as being a good person is Maj Gen Chamlong Simuang.

We would like to repeat that religious institutes and politics must be kept separate. By tying the two together, if people wanted to support the Phalang Tham Party, they also had to support Santi Asok. That is another form of dictatorship.

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## ECONOMIC

### Hanoi Official Suggests Ways To Solve Food Problem

42090257b *Hanoi HANOI MOI* in Vietnamese  
5 Jun 88 p 1

[Interview with Nguyen Mai, member of the Standing Committee of the Municipal Party Committee and vice chairman of the Municipal People's Committee: "How to Solve Hanoi's Food Problem: Shift From Immobility to Dynamism and Action; date and place of interview not specified]

[Text] Question: The standing committee of the municipal party committee recently issued a resolution on a number of immediate things which need to be done, including the food problem. Could you please give us your views on implementation of the directive with respect to the food problem?

Answer: For our city, grain is put into the "special" category, meaning it is above the number one category. The provision of food to the city has long received the utmost attention of the party and state, but if the city continues to do as it still does—sit and wait for the grain to be delivered by the central government—immobility like what has already occurred is inevitable. To be in conformity with the new economic thinking is to be dynamic, active, and action-oriented. The standing committee of the municipal party committee, after reviewing numerous aspects, set forth the way to solve the food problem for the immediate future and the long term with a view toward gradually stabilizing and advancing toward completely stabilizing it. The first measure is: balance food on our own in the districts, the new ones on the outskirts of the city first of all. There is nothing unreasonable about this. In 1986, for example, the two districts of Phuc Tho and Hoai Duc were self-sufficient in grain. The municipality will ask the central government for extra fertilizer and, at the same time, import more to help districts intensively cultivate to increase yields. The second measure is: improve and boost the quality of the processing of subsidiary food crop flour with a view toward contributing to a gradual change in the meal structure. This cannot be done all at once because this is an age-old habit. If it is done well, however, it can reduce from 10 to 15 percent the amount of rice consumed in a month. The third measure is: revamp the management of food. Specifically, oppose the use of grain at variance with the objective (such as making liquor), limit waste, and combat losses during transit. The fourth measure is: within the framework of the Council of Ministers granting permission, form alliances with several provinces in the Mekong River delta in order to adopt the procedure of converting material goods to obtain food. Hanoi will ask the central government to help with material and transportation means to accomplish this key measure.

Question: Food support for cadres and people is still difficult now. Could you please tell us what measures the city has taken to overcome this?

Answer: The difficulty in food now is an overall problem for the whole country not Hanoi alone. With the attention of the central government plus the effort of the localities, we have thus far finished paying off the grain in the amount prescribed for March and have settled 60 percent of April. The central government and the municipality are currently attempting to have a stable norm each day of 800 tons to meet immediate needs. Moreover, they are attempting to get more to gradually pay off the prescribed amount still owed. In the meantime, they are urgently striving to receive sources of grain in the plan provided by the central government, and the municipality still continues the work done since the beginning of the year—obtaining grain outside the plan to support and mutually assist cadres and people at the business price. Since the beginning of the year, the municipality has, through efforts in many aspects, obtained 5,000 tons of grain outside the plan, even though this figure is modest given Hanoi's tremendous need.

In June and the beginning of July, it is necessary, along with stepping up production, satisfactorily working on the 10th-month crop, and preparing for work on the winter crop on the outskirts of the city, to quickly and systematically collect taxes, collect debts, and purchase grain from farmers and punish grain speculators.

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### Mutual Help Campaign During Preharvest Lean Period

42090257a *Hanoi DAI DOAN KET* in Vietnamese  
21 May 88 p 2

[Article by Mai Trang and Quang Canh: "Through the Movement To Mobilize the Entire Populace To Help Each Other in the Preharvest Lean Period"]

[Text] In Thanh Hoa recently, the entire province mobilized 6,000 tons of grain and sold it to the people to resist hunger. The districts alone encouraged families with a rice surplus to loan 2,395 tons. This includes 1,000 tons sold to starving farming families and 500 tons sold to families in the area growing industrial crops. The Fatherland Front in districts and installations arranged for jars of rice to combat hunger; the result was 23,675 kilograms of rice and 6,518 kilograms of manioc and 34,442 kilograms of potatoes. This amount of rice and corn, potatoes, and manioc has helped 67,125 households overcome difficulties. Mr Ngo Van Mien, Quang Thanh Village, Quang Xuong District, loaned 27 households interest-free 1,200 kilograms of rice, 250 kilograms of potatoes, and 500 kilograms of corn. Mrs Kieu Thi Nhung, Dong Van Village, Dong Son District, loaned a number of families interest-free 1,220 kilograms of paddy. Mr Lai Van Cau, Dong Tan Village, Dong Son District, loaned 28 households interest-free 1,600 tons of

rice and 200 kilograms of potatoes (and another 200 kilograms of potatoes with no repayment) so families could combat hunger to take care of rice and subsidiary food crops.

In Ha Bac Province: The Provincial Fatherland Front Committee together with component organizations organized 48 hunger relief teams to go down to the localities to talk to people with surpluses about helping the people overcome difficulties. The result was that the teams mobilized 27,868 kilograms of rice, 834 kilograms of corn, and 853,997 dong to help hungry families. Yen Phong District has many families who volunteered to provide support without repayment. Mr Nam provided 2 tons of dry manioc and 400,000 dong in support to help hungry families in the district. Mr Nha, also from Yen Phong, provided 5 quintals of dry manioc and 280,000 dong in support. Mr. Khai Van Phong also voluntarily loaned 7 quintals of paddy interest-free and five organizations stationed in the district reserved 195 kilograms of rice to help families in difficulty. Five hundred eighty-three primary level cadres also saved 171 kilograms of rice to help people in hunger over the days of the lean period between harvests.

In Ha Nam Ninh: Le Xuan Truong, chairman of Hoang Long District, said that annually Hoang Long suffers misfortune during the preharvest lean period, but this year it is worse, especially in low-lying 5th-month rice areas without gardens or in mountainous areas only growing tobacco. Before Tet, the district actively mobilized a campaign to grow subsidiary food crops. The entire district grew 1,000 hectares of sweet potatoes and 1,100 hectares of corn. In addition, families also grew calabash and squash and vegetables of various types. Now these vegetables and subsidiary food crops have started to be eaten. So the relief is equitable, rational and prompt, the district has divided up the relief rice among 27 villages with the average one getting 2 quintals and the most 4 quintals. In the villages, the secretary, chairman, cooperative director, and those in charge of the front, youth, women, and farmers' association are responsible for discovering people in hunger and, first of all, mobilizing mutual aid among the people and only using this reserved rice if in dire straits.

Phan Thanh Tham, vice chairman of Y Yen District, stated that, "The front, youth, and women's organizations have a picture of the situation and categorize hungry households in order to go up statistically together with the village administration to balance relief on their own on the spot. First of all, priority is given to seriously wounded soldiers and families of war invalids and dead who have only one child. Second, the broad mutual assistance movement in the countryside, mobilized by the front, the Red Cross, the women's association, the farmers' association, and cooperatives, resulted in 88 tons of paddy and 3.3 million dong. Third, is the drive to produce 5th-month and spring rice and to grow subsidiary food crops. The entire district has planted 787 hectares of sweet potatoes, 430 hectares of spring corn,

and 325 hectares of potatoes on inferior land. Many places have started to harvest subsidiary food crops, so the hunger situation is gradually abating. Fourth, the district is limiting all meetings, convening only emergency ones with no food or drink and the objective to save grain and relief money for the people. In particular, the district has 280 key cadres and some 181 cadres' families have 'cut meals.' The district both sells and provides as relief 5 kilograms to each person, but the men and women refuse it, volunteering to put it into the villages' overall relief fund and eat rice gruel with families when hungry."

Nguyen Cong Duong, chairman of Gia Vien District, states that a monoculture production situation is very difficult when there are broken dikes and when there are catastrophes or harmful insects and disease. One good crop to pay off debts does not repeat itself. The whole district has a movement to help each other resist hunger. Mass groups keep in close touch with the people in order to inform party committee echelons and the administration about urgent circumstances for relief. The district has used 26 tons of provincial rice to provide relief equitably. The villages of Gia Phong and Gia Minh also have the innovation of coordinating hunger resistance while simultaneously performing water conservancy to combat crop failure. District circulation and distribution organizations have also bought 200 tons of grain from the South to sell 100 tons to farmers and 100 tons to cadres, workers, and civil servants.

In Nghe Tinh, Nguyen Ngoc Ngoan, chief of the office of the provincial front, wired the editorial board of the newspaper to state that the spirit of mutual assistance solidarity is very good in the region with people of various religions and the mountain region with the region downstream. Many people in the villages of Nhan Thanh, Bac Thanh, and Vinh Thanh, Yen Thanh District, and Dien My, Dien Nguyen, Dien Hong, and Dien Thai, Dien Chau District, have given dozens of tons of paddy and hundreds of thousands of dong in interest-free loans to people in hamlets and villages. The mountain-region districts of Tuong Duong, Quy Chau, Nghia Dan, Tan Ky, etc., have mobilized the people to save corn and manioc to sell at reasonable prices to downstream-region districts. In the past 3 months, mountain-region districts have moved 3,000 tons of corn and manioc downstream to help areas short of food. In Cam Xuyen in particular, there is a family that voluntarily postponed its intent to save 2 tons of paddy to build a home in order to loan it interest-free to families short of food. Mr and Mrs Tran Dat, more than 70 years old who live in Cam Due, loaned interest-free 700 kilograms of paddy and 5,000 dong to people in Dung Tien Hamlet. In Hung Nguyen District, the women's association has mobilized loans to help people short of food with both paddy and breeding hogs so as to avoid empty pens during the hunger.

The Political Bureau recently issued the resolution "On Changing Industrial Economic Management." Annually during the preharvest lean period in the countryside they

usually had to plan for 5 to 10 percent of the households to be short of food. But through the reality of this year's preharvest lean period, localities have all announced that the number of households short of food is larger. So how is the solution to the annual preharvest lean period tied to implementation of the Political Bureau's resolution? In the countryside there also is a number of households that are making a living with no plan or that are inexperienced in farming, a number of districts still have undelivered products, a number of households short of

seeds and capital, a number of households with a labor shortage or only the very old, the handicapped, etc. With product contracts for each family household or even if the contracts are bid, we cannot forget the responsibility to lead, help, guide, and create conditions for a portion of these farmers to escape the plight of poverty and hunger.

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